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Diplomatic Sources on Tripartite Talks on DPRK

OW1911030894 Tokyo KYODO in English 0256 GMT 19 Nov 94

[By Antonio Kamiya]

[FBIS Transcribed Text] Washington, Nov. 18 KYODO—The United States, Japan and South Korea agreed Friday [18 November] that South Korea will play a "central role" in the financing and construction of two modern nuclear reactors in North Korea, officials said.

Representatives of the three allies agreed to give South Korea the primary responsibility in the North Korean nuclear project as part of the U.S. strategy to coax Pyongyang into giving up its capacity to make nuclear weapons.

Japan was represented at the tripartite meeting in Washington by Shunji Yanai, head of the Foreign Ministry's Foreign Policy Bureau. Heading the U.S. delegation was Ambassador-at-Large Robert Gallucci, and South Korea was represented by Choi Tong-chin, assistant foreign minister for political affairs.

Japanese diplomatic sources said the South Korean delegation made a strong case for Seoul to play a "central role" in the North Korean nuclear project, both in terms of funding and construction. The South Korean initiative was reflected in the statement the three parties put out at the end of their two-day meeting Friday.

"The ROK (republic of Korea) will...play a central role in the financing and construction of the LWR (light-water reactor) project," it said.

Under the terms of the landmark U.S.-North Korea nuclear accord concluded last month, the U.S. is committed to providing two light-water reactors to North Korea in return for a North Korean pledge to scrap its own nuclear program. The North Korean nuclear program is based on technology that produces a large amount of weapons-grade plutonium as a by-product. Experts say the light-water system is free of such capacity.

Tokyo has pledged to fund part of the cost—estimated at 4 billion dollars—for the two 1,000-megawatt light-water reactors, but Japanese sources said there was no discussion of cost-sharing during the two days of talks, the first among the three allies after Washington signed the nuclear accord with North Korea on Oct. 21.

Officials from the three countries also discussed the proposed Korean Energy Development Organization (KEDO), an international consortium in charge of carrying out the North Korean nuclear project, but made no decision on when or where to set it up, Japanese sources said. Another round of talks is scheduled for December. "I don't think we'll have KEDO up and running before the end of this year. Most likely, it will be early next year, probably before spring," a Japanese diplomat said.

The U.S. is committed under the terms of the Oct. 21 nuclear accord to set up the international consortium by April next year. The U.S., South Korea, and Japan agreed Friday to play a "leading role" in the consortium while soliciting other countries to take part in the organization, officials said. Japan has urged the European members of the Group of Seven industrial countries to take part in the consortium, arguing the North Korean nuclear issue is a global concern.

UN Committee Passes Nuclear Disarmament Resolution

OW1911012494 Tokyo KYODO in English 0045 GMT 19 Nov 94

[FBIS Transcribed Text] New York, Nov. 18 KYODO—The First Committee of the United Nations General Assembly on Friday [18 November] adopted without opposition a resolution submitted by Japan on the ultimate elimination of nuclear weapons.

The resolution, titled "Nuclear Disarmament With a View to the Ultimate Elimination of Nuclear Weapons," was independently submitted by Japan earlier this month.

A total of 140 countries voted for the resolution and no single country opposed. There were eight abstentions. Those abstaining were the United States, Britain, France, India, Brazil, Israel, Cuba and North Korea. Except for Cuba, the other seven possess or are suspected of trying to possess nuclear weapons. The UN General Assembly will formally adopt the Japan-sponsored resolution in December, diplomats said.

Foreign Minister Yohei Kono told a press conference in Tokyo on Friday that Japan's submission of the resolution follows recent encouraging moves. These moves include the signing of the Start I and II Treaties between the U.S. and Russia and progress in the negotiations on comprehensive test ban treaty.

It also comes a year before a review of the Nuclear Non-Proliferation Treaty (NPT), and Japan wanted to express its basic stance on nuclear issues as the only country to have suffered atomic bombing, Kono said.

The resolution urges all nonmember countries to join the NPT as early as possible while urging nuclear weapon states to pursue "efforts for nuclear disarmament with the ultimate objective of the elimination of nuclear weapons in the framework of general and complete disarmament."

It also calls on all countries to "fully implement their commitments in the field of disarmament and nonproliferation of weapons of mass destruction," according to Japanese officials. The resolution is a "realistic and step-by-step approach" to ultimately achieve elimination of nuclear weapons, they said.

Tokyo's Status in APEC Jakarta Talks Viewed

OW1811130094 Tokyo ASAHI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 2

[Article by correspondent Kazuyuki Shimada: "Japan's Diplomatic Idea of Attaching Importance to Asia Kept Low Key in Jakarta"]

[FBIS Translated Text] Jakarta, 15 Nov—Japan, represented by Prime Minister Murayama and other Japanese politicians, kept a low profile at meetings of the Asia-Pacific Economic Cooperation [APEC] forum, just as it has in the past in major international conferences, and the low profile symbolized the status held by Japan in the Asia-Pacific region. The low profile also gave an impression that, although Japan plays an economically important role in the world, Asian nations have yet to strongly wish for Japan to display political leadership and wield its influence in the region. What on earth is the "policy of attaching importance to Asia" that successive governments have thus far upheld? Japan is being asked to make clear that it is a "member of the Asian community" and to make efforts to rid Asian nations of a lingering sense of incongruity toward Japan.

For Prime Minister Murayama, the informal APEC summit talks held in Jakarta were the second international forum he has attended, following the summit talks of the major industrialized nations (the Naples Summit) in July this year. The informal summit talks were supposed to have provided the best chance for Japan to show its status in the region. Nonetheless, those seen as powerful leaders at the informal summit talks were Chinese President Jiang Zemin, Indonesian President Suharto, Malaysian Prime Minister Mahathir, and President Clinton.

It may be cruel to compare those leaders to Prime Minister Murayama, who came to power just five months ago, but there was a striking difference in the vigorousness of those leaders and the Japanese prime minister.

Japan has been unable to exercise strong political leadership in Asia because of its weak style, devoid of self-assertiveness, and its passive diplomacy which makes it impossible for Japan to take any initiative. Japan's passive diplomatic style was exposed at the tripartite summit meeting of Japan, the United States, and South Korea on the evening of 14 November. The United States worked out a plan for the tripartite summit meeting in Jakarta. A week prior to the informal APEC summit talks, President Clinton proposed the holding of the tripartite summit meeting in Indonesia to South Korean President Kim Yong-sam. Later in Jakarta, the U.S. side, finding it difficult to coordinate the schedules of the three leaders, gave up holding the summit meeting. But the tripartite summit meeting was resurrected at the strong request of South Korean President Kim.

In the meantime, Japan has left the question of holding the tripartite summit meeting to the United States and South Korea. With the Japanese Foreign Ministry left out in the cold, preparations have been made for holding the tripartite summit meeting. Although Japan will have to share a substantial burden of the financial assistance in North Korea's shift to light-water reactors—estimated to cost $4 billion—it has yet to fully realize that it is one of the parties obliged to provide the financial assistance.

Other Asian nations are amazed at this attitude of Japan. Foreign Minister Kono once said, "Japan's strength lies in its understanding of trends and tempos in Asia." If his comment is true, Japan should have coordinated the conflict of interests between non-Asian nations—including the United States—and Asian nations, and taken concrete actions to play a role of mediation between them.

In reality, however, Japan is only concerned that "Asian nations see Japan and the United States in the same light" as indicated by Malaysian Prime Minister Mahathir. The Asian nations take such a view because of Japan's diplomacy tilting toward the United States.

The United States has begun tilting toward Asia earlier and deeper than Japan has. The Japanese Foreign Ministry needs to take a serious view of the difference between the weight that Japan's diplomatic idea of "attaching importance to Asia" is supposed to carry and the weight which other Asian nations find in Japan's diplomatic idea.

Japan

Kono Wants Meeting With Mondale Kept Confidential

OW2111102894 Tokyo SANKEI SHIMBUN in Japanese 18 Nov 94 Morning Edition p 2

[FBIS Translated Text] The Liberal Democratic Party [LDP] is struggling to deny a SANKEI SHIMBUN report that Yohei Kono (LDP president), deputy prime minister and foreign minister, had a secret meeting with Walter Mondale, U.S. ambassador to Japan, on 10 October to coordinate how they should deal with the problem of the alleged funding by the Central Intelligence Agency (CIA) to the LDP, which was reported in THE NEW YORK TIMES. Meanwhile, the Foreign Ministry is concerned that the revelation of the secret talks, which were held unofficially, may undermine the alliance between Japan and the United States for keeping confidential affairs secret.

On the evening of 17 November, Kono admitted that he met with Mondale, but he refused to disclose what they discussed at the meeting, saying: "The meeting was held in compliance with the invitation Ambassador Mondale had extended to me some time ago."

According to Kono, immediately after he was named foreign minister, he invited Mondale to dinner. A dinner meeting was held in July in accordance with the invitation. In return, the ambassador invited Kono to dinner. Kono said that according to the previous arrangements, they had a dinner meeting on 10 October. An official close to Kono said: "As foreign minister, he and the ambassador exchanged views on the entire scope of Japan-U.S. relations over dinner. I think the meeting's content was not the same as reported."

Meanwhile, concerning the alleged CIA funding, a Foreign Ministry source said: "The Foreign Ministry has not confirmed that the provision of funds actually took place."

However, because of the Kono-Mondale meeting, which had been kept secret by the Foreign Ministry and the U.S. Embassy, was revealed, the Foreign Ministry is now worried that "some discord might arise between Japan and the United States," (according to a source within the ministry).

Since THE NEW YORK TIMES reported the CIA funding, the LDP has asserted that the party has never accepted such secret funds. The party takes the same approach toward the SANKEI SHIMBUN report. LDP Secretary General Yoshiro Mori flatly denied the report, saying: "It is no more than speculation." The party has a sense of growing concern about the possibility of the issue having further implications.

On 17 November, Mori said he had heard nothing in particular from Kono. However, he stressed: "I have been told that they held a meeting under a pledge they had made some time ago. The purpose of their meeting was not to discuss how they should deal with this issue."

Early Conclusion of Financial Talks Sought

OW1911085894 Tokyo KYODO in English 0846 GMT 19 Nov 94

[FBIS Transcribed Text] Honolulu, Nov. 18 KYODO—Japan and the United States have agreed to settle the financial service talks in the bilateral "framework" trade negotiations as early as possible, Japanese officials said Friday.

In the two-day talks, which ended Friday, Washington asked Tokyo to make a decision by the end of this year to open its public pension fund market to U.S. investment advisory companies, they said. But Japanese officials said they reiterated it is difficult to allow investment advisory companies to manage public pension funds since such fund management is relatively risky with their high investment in stocks.

Though the two countries remained divided over the pension fund issue, they agreed to seek an early resolution. But the Japanese side objected to setting the end of this year as the deadline of the negotiations, the officials said.

The Ministry of Health and Welfare is supporting the opening of the public pension fund market to foreign firms, while the Ministry of Finance remains prudent due to risk-hedge reasons. To what extent the two ministries will be able to make mutual concessions by the next talks in early December is a crucial point, analysts said.

Moreover, the U.S. asked Japan to allow foreign investment advisory companies to engage in investment trust businesses and to promote the deregulation of cross-border capital transactions.

In the talks, Japan showed the basic stance of promoting deregulation as a top priority issue of the government of Prime Minister Tomiichi Murayama, the officials said.

Automakers To Fall Short of U.S. Auto Targets

OW2011103094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Nov 94 Morning Edition p 1

[FBIS Translated Text] The amount of U.S.-made auto parts that the 11 Japanese automakers will import during fiscal year 1994 will amount to $3.2 billion, some 20 percent less than the voluntary procurement plan's $4 billion-target. This was noted in a survey conducted by the Ministry of International Trade and Industry [MITI]. The shortfall is attributable to the decline in Japan's auto production. Even if the amount of locally procured parts included those procured by Japanese plants in the United States, it "seems difficult to meet the ($19 billion) target," (according to MITI's Machinery and Information Industries Bureau). The U.S. Trade Representative (USTR) and the Commerce Department regard this plan [to meet the target] as an "official pledge between the two governments." Because of this, MITI thinks that Japan may face difficulties at future framework talks with the United States on auto and auto parts, a senior MITI official said.

In January 1992, Japanese automakers, including Toyota Motor Corp., prepared plans for procurement of U.S.-made auto parts by setting their own targets, which were to be achieved three years later, or in 1994. Aiming to increase their procurement plans by $10 billion over the original $9 billion, which was the actual procurement amount for fiscal 1990, the automakers set the total amount of imports for fiscal 1994 at $4 billion and purchased the remaining $15 billion dollars worth of U.S.-made auto parts for their plants in the United States. This "self-imposed plan" was attached to a document signed by both governments as an appendix.

For fiscal 1994, the 11 automakers' imports of U.S.-made parts total an estimated 320 billion yen [Y], a 11 percent increase over the previous year. At the rate of Y100 to the dollar, this amounts to $3.2 billion. According to the survey, Toyota Motor Corp. is expected to attain about 90 percent of its targeted amount. But Mazda Motor Corp. will reach only 60 percent of its targeted amount, while Nissan Motor Corp. and Honda Motor Co. will reach only 70 percent of their targeted amounts. Most of the remaining six companies, including Fuji Heavy Industries Ltd. and Hino Motors, will reach 30-40 percent of their goals.

Due to the sluggish domestic economy, Japanese automakers have had a poor business turnout. In addition, their exports have also dropped because the strong yen forced them to increase production at their plants abroad. Accordingly, the number of vehicles produced in Japan dropped significantly below expectations. Only Mitsubishi Motor Corp. is expected to meet its goal, with a 2-3 percent increase, because it relies on imports from the United States for major car components such as engine parts and transmissions.

Although local procurement by Japanese automakers' plants in the United States are "expected to grow by about 20 percent over the actual amount ($12 billion) of local procurement in fiscal 1993, the situation is delicate as to whether or not it will exceed the targeted amount for fiscal 1994," (according to the Machinery and Information Industries Bureau). Toyota and Nissan will boost their production output in the United States by some 50 percent over fiscal 1990. The slow growth in the U.S. auto-parts makers' ability to supply parts was cited as a factor curbing the rise in local purchases. Because of this, it is unlikely that the combination of total imports, which will meet 80 percent of the target, and local procurement will reach the $19 billion target.

During Japan-U.S. framework talks on autos and parts, the U.S. Government changed its strategy from attaching importance to exporting cars to Japan to Japanese companies' procurement of U.S.-made parts. USTR Kantor and other U.S. officials are demanding that Japan prepare a self-imposed plan, which is applicable to fiscal 1995 and beyond, by setting a target that is higher than the previous year. The Japanese Government rejected the demand, saying: "It is beyond the boundary of the government's responsibility," (according to MITI Minister Ryutaro Hashimoto). Following the disclosure of the prospect that it will be difficult to meet the fiscal 1994 target, it seems that the U.S. Government will make tougher demands during Japan-U.S. negotiations on auto and auto parts, which will likely be resumed in the near future.

Trade Frictions With U.S. in Short Recess

'Mutual Distrust' Remains

952A0037A Tokyo TOKYO SHIMBUN in Japanese 3 Oct 94 p 1

[Article by Mamoru Onoki, America Bureau correspondent: "A Wavering Attitude of the U.S. Government: Spurring Mutual Distrust"]

[FBIS Translated Text] The Japan-U.S. framework talks have finally concluded. They began a year and a half ago and produced "fruits" for the first time in such market access issues as government procurement. In reality, however, negotiations broke off many times, and they continued to the end under extraordinary circumstances, with threats of unilateral "sanctions" to reach an agreement. Although Japan-U.S. economic relations evolved into "relations between adults" when the Japanese side said "no" during the Hosokawa-Clinton summit last February, a kindling of friction still remains.

"Only four minutes left," a Japanese negotiator for the automobile and parts industry gave a shrill cry to U.S. Under Secretary of Commerce Garten. The veil of the night thickened, and the clock was about to strike midnight, telling the arrival of 1 October (one o'clock in the afternoon of 1 October in Japan)—the deadline set unilaterally by the Clinton administration for "sanctions." In reality, however, negotiations continued throughout the night.

The contents of the recent marathon-like negotiations were unusual, as well. U.S. Trade Representative [USTR] Kantor and Yohei Kono, deputy prime minister and foreign minister, spent most of their time and efforts on "philosophical arguments" on "objective standards."

"It is quite unusual for cabinet-level people to have heated discussions in such minute detail," said an insider in amazement.

Having seen the stalemates in negotiations between Japan and the United States, many people wonder "what the framework talks were all about."

To begin with, the origin of the framework talks can be traced back to the Miyazawa-Clinton summit in Washington, D.C., in April 1993, when an agreement was reached to create a market-access framework for Japan and the United States. Reports were to be submitted at a semiannual summit meeting, with an aim to evaluate progress from broader perspectives.

However, the talks immediately faltered on "objective standards" at the "threshold," spreading a sense of distrust between Japan and the United States. "Like the question of which came first, the chicken or the egg, unsettling arguments further amplified the feeling of distrust" (per a Japanese diplomat residing in the United States).

There is a deep-rooted criticism that a major reason for the seemingly failing economic relations between Japan and the United States is the Clinton administration's indecisiveness. For example, at a meeting of the National Economic Council (NEC) to discuss policy direction for the framework talks, U.S. Treasury Secretary Bentsen, a man of "good sense," proposed that "it would be better that sanctions be limited in scale." To this, USTR Kantor was strongly opposed. This kind of "discord" within the administration has been a well-known fact.

Right before his arrival in Washington, D.C., for the final phase of negotiations, MITI [Ministry of International Trade and Industry] Minister Ryutaro Hashimoto said, "Compared to the time when partial agreements were reached at quadrilateral minister-level trade talks in Los Angeles in early September, the U.S. Government seems to be setting its clock backward." Inclining his head as if in doubt, a person who had been involved in the negotiations from the beginning also said, "I couldn't help worrying about wavering responses from the U.S. side."

Some people also point out rather severely that "members of the Clinton administration are always trying to see how the President may respond." "The Clinton administration is a gathering of 'toadies,' and its leader is Representative Kantor," quips Ronald Morse, head of the International Planning Division at the University of Maryland. Reportedly, the reason Undersecretary of Commerce Garten left the USTR at the last minute and went to the White House was that to seek decisions from the President.

The biggest agenda for the Clinton administration for the time being is an off-year election in November. If the Democratic Party suffers a big loss in this election, an outlet for discontent will certainly be looked for abroad.

With such slogans as "putting people first" and the "results-oriented" approach, the President defeated the former Bush administration. For him, therefore, it is inconceivable to take these slogans back. "As long as the current administration is in power, Japan will not be able to avoid becoming a scapegoat" (per a Japanese Government official). This kind of a pessimistic view is spreading, as well.

Sanctions Still Possible

952A0037B Tokyo TOKYO SHIMBUN in Japanese 4 Oct 94 p 1

[Article by Keisuke Sawada, Economic Bureau reporter: "Japan Stuck to the 'Principle' Throughout: A Risk of Sanctions Still Remains"]

[FBIS Translated Text] At a meeting with the Keidanren [Federation of Economic Organizations] held at a hotel near the Imperial Palace in the morning of 3 October, MITI Minister Ryutaro Hashimoto, who returned from his trip the day before, was proud that the Japanese Government had negotiated throughout without bending the principle. He said, "Compared to the U.S. side, which seemed to be in some disarray, the Japanese side was united." Probably because he was relieved from the tension in Washington, D.C., his speech was smooth. Chairman Shoichiro Toyoda of Keidanren (chairman of Toyota Motors) said, "Please continue to refuse any unreasonable requests firmly in the future, also." Unexpectedly, there was no feeling of tension over the "breakdown" of the talks on the automobiles and parts sector, which had been designated as a target for sanctions under 301 clause of the U.S. Trade Act (on sanctions against unfair trade practices).

Throughout the recent talks, the Japanese Government stuck to the principle that the basis for negotiations should be within the reach of the governmental authority, and that the setting of numerical targets would not be acceptable. Agreements were reached in the areas of government procurement, insurance, and flat glass with a minimum possibility for sanctions. To these results, an executive from a major automobile manufacturer expressed his appreciation for the record by saying, "You did a great job this time."

The automobiles and parts sector had a share of more than a half of the U.S. trade deficit, which was about $60 billion against Japan in 1993, symbolizing the trade friction between Japan and the United States. Therefore, from the voluntary control of exports to the United States in 1981 to the voluntary plan drawn up by the manufacturers this spring to purchase parts beginning in 1995, it has become a familiar pattern for MITI under pressure from the U.S. Government to request these manufacturers to submit their voluntary plans. This time again, it had been whispered that "MITI will pass the ball to the industry."

MITI, which participated in the negotiations, denies such a view vehemently: "The world is looking carefully at what steps Japan will take. The United States unilaterally set the deadline for negotiations. And, if it imposes sanctions by saying, 'Your country is closed,' it will be the United States that will become isolated."

Within the automobile industry, however, there exists a sober view: The government was able to stick to the principle because "U.S. requests were too outrageous." One example is that the U.S. side reportedly requested

[Japanese companies] to purchase foreign-made parts in the amount of "$40 billion over five years" in addition to their original purchasing plans. Even if the Japanese manufacturers raised their local procurement ratios for parts to 100 percent from their current ratios of 70 percent in the United States, "the requested dollar target would never be achieved unless the production capacity at these plants was raised by 1.5 times," says an executive of a manufacturing company that is operating in the United States, inclining his head in doubt to this unreasonable request.

Furthermore, some people say, "In fact, manufacturers of automobiles and parts in the United States were not much interested in the framework talks," pointing out changes in attitudes of the Big Three automobile manufacturers in the United States, which used to press their government to take an aggressive stance in negotiations in the past. Last year, the number of automobiles manufactured in the United States surpassed that in Japan for the first time in 14 years, and sales in the Japanese market have been strong.

During the final phase of the framework talks over automobile-related parts, the U.S. side requested practically complete abolition of the automobile inspection system [in Japan], an unreasonable request the Japanese side could never accept. This was a direct cause for the breakdown in negotiations. As this issue affects MITI and the Ministry of Transports as well as the National Police Agency, adjustments at home to reopen the talks will never be easy. Some people say, "It will take years" (per government employees).

The framework talks were broken off when (the then) Prime Minister Morihiro Hosokawa said, "No," during the summit meeting between Japan and the United States in February. This time, armed with such macro policies as tax cuts for three years into the future and revisions of the basic plan for public works projects, negotiations were carried out with "yeses and nos." But real problems seem to have been postponed into the future. Depending on future actions of the United States, there is no guarantee that Japan will be able to avoid sanctions 100 percent.

EU, Asia 'Cautious'

952A0037C Tokyo TOKYO SHIMBUN in Japanese 5 Oct 94 p 1

[Article by Atsushi Honda, Economic Bureau reporter in Washington, D.C.: "The United States Is 'Results'-Oriented: The European Union and Asia Becoming More Cautious"]

[FBIS Translated Text] It was at a press conference room for U.S. Government officials on the third floor of Jackson Place near the White House. To a group of reporters waiting for interviews to begin at 1300 on 1 October with U.S. Trade Representative (USTR) Mickey Kantor on the framework talks, men and women, looking like staff members from the USTR office, began to distribute papers, saying, "News release!"

But they were not staff members from the government; they were from the American Automobile Manufacturers Association (AAMA), the Health Industry Manufacturers Association (HIMA), the American Electronics Association (AEA), the International Insurance Conference (ICI), the National Association of Insurance Brokers (NAIB), and so on.

The woman, who was distributing documents from Guardian Industries (from Michigan) that raised an issue on flat glass products, looked familiar. She is Margaret Tutwiler, who served as the first female press secretary under Secretary of State Baker during the Bush administration. As president of Tutwiler Associates, a PR firm, she is now spearheading attacks against Japan for Guardian Industries Corporation.

As symbolized in this scene, the recent framework talks were quite contradictory to the meaning implied by the word, "framework." Rather, they were openly characterized to an extreme degree by "one-company issues," as referred to by Foreign Affairs Councilor Sadayuki Hayashi.

During the final phase from late September through 1 October, the USTR building was frequented all the time by representatives from industries, including those stationed in Washington, D.C. for the Big Three and the United Automobile Workers (UAW).

In the past, "Japan, Inc." was criticized. But now such an analogy seems to be appropriate for describing the Clinton administration, which advocates a strengthening of the relationship between government and business—this should definitely be called "America, Inc."

Yet, on the one hand, the administration was seeking Congressional ratification of a new multilateral trade agreement (the Uruguay Round)—a new set of rules on multilateral free trade for the 21st century—to take effect in January 1995, but on the other hand, it set up a deadline unilaterally with threats of sanctions to pry open its trade partner's market to resolve bilateral trade imbalances. This never-changing U.S.-style "Cowboy Diplomacy" has left big problems behind throughout the framework talks.

On the agreement reached between Japan and the United States, Representative Kantor said, "There are no numerical targets, and therefore, this is not managed trade." But he confessed honestly by saying, "The agreement is clear cut and concrete. It is based on a results-oriented approach."

Countries in Europe and Asia kept their watchful eye on the progress of the Japan-U.S. Framework Talks. During the quadrilateral minister-level trade talks in Los Angeles in early September, European Union [EU] commissioner Brittain reminded MITI Minister Ryutaro

Hashimoto by saying, "Please don't reach an agreement between Japan and the United States that could be detrimental to us."

Also, during a Japan-ASEAN minister-level meeting in Thailand on 24 September, the MITI minister was requested by each of the member nations: "We don't want Japan, our elder brother, to make awkward concessions."

Most likely, the [ASEAN] member countries are not pleased with Japan that continues to record trade surpluses against the world in the amount of $130 billion per year. On the other hand, however, they are certainly feeling repugnant about the unilaterally high-handed manner of the United States.

"Returning alive from the edge of a precipice"—an editorial in the 3 October issue of the FINANCIAL TIMES, an economic daily published in England, praised Japan and the United States for having avoided a trade war. Then, it stated, "It is impossible to dispel suspicion that Washington is pressing the Japanese Government to accept cartels for the benefits of U.S. exporters."

Japan is determined to share the fruits of the recent "agreement" equally to other countries. But the watchful eyes of its neighbors are intense.

Reportage on Issues Related to 1995 Budget

MOF on General Spending Growth

OW1911002794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Nov 94 Morning Edition p 1

[FBIS Translated Text] The Finance Ministry has decided to hold the increase in policy expenditures, also known as general spending, down to around 2.5 percent of the initial appropriation for FY 94, which will keep total spending between 41.5 trillion to 42 trillion yen.

While the rate of increase will probably be higher than the 2.3 percent for FY 94 because of the obligatory increase in expenses related to the national census and the desire to secure an increase in public projects, all other spending categories will invariably be subject to a tight squeeze.

Even the growth rate of the crucial defense budget over the previous fiscal year is expected to be reduced from the 0.9 percent in the FY 95 budget request to below 0.4 percent, the lowest rate of increase since the founding of the Self-Defense Forces recorded in 1982.

The budget requests for "general spending" in FY 95 total 42.8276 trillion yen, representing a 4.8 percent increase over the initial appropriation for FY 94. There are a considerable number of obligatory spending increases, such as those relating to the increase in the number of pensioners—resulting in a further drain on the national treasury; salaries of civil servants; the national census conducted once every five years; and the House of Councillors elections which occur once in three years. Government subsidies to political parties, totaling 30.9 billion yen will also contribute to the increase in general spending.

On the other hand, the Finance Ministry also wants to bolster the economic recovery, and FY 95 is the first year of the new basic public investment program (totaling 630 trillion yen, running from FY 1995 to 2004), making it imperative to secure a decent rate of increase in public project spending. Budget requests in this category from the various ministries and agencies are expected to be approved as requested, resulting in an increase of around 4.2 percent, compared to the initial appropriation for FY 94.

However, the general revenue income for FY 94 is expected to be almost 2 trillion yen short of the original estimate of 53.665 trillion yen. The tight fiscal situation is certain to continue into FY 95. The promotion of administrative and fiscal reforms, as advocated by the Murayama administration, calls for a drastic cut in general spending, particularly in operating expenses. Thus, the government plans to trim around 1 trillion yen from the budget requests in this category.

When the ceiling for the defense budget request for FY 95 was set in July, conflict arose between the Social Democratic Party of Japan, which favored a substantial budget cut, and the Liberal Democratic Party [LDP]. Even after the defense budget growth rate was set at 0.9 percent, the ruling coalition parties asked the government to respect this decision when the budget is actually formulated by the end of 1994. Under this tight ceiling, the Defense Agency [DA] has only requested half of its additional payment for the expenses of U.S. Forces, Japan.

Nevertheless, in consideration of the possible adverse effect on relations with the United States, Japan seems not to have any choice but to allocate the full amount in the final budget. The Finance Ministry is still asking the DA to make "self-help efforts" to hold the budget increase within the ceiling by reallocating spending for other purposes to cover U.S. Forces' expenses.

Furthermore, Prime Minister Tomiichi Murayama stated during a Diet interpellation: "Utmost efforts will be made to cut the budget," indicating his intent to reduce defense spending. In view of this, the Finance Ministry intends to further curb budget requests. On the other hand, both the DA and LDP are pushing strongly for obtaining the 0.9 percent increase. Rough sailing is expected in negotiations over the budget.

Further Defense Budget Cut Denied

OW1911131994 Tokyo YOMIURI SHIMBUN in Japanese 19 Nov 94 Morning Edition p 2

[FBIS Translated Text] Ruling parties have agreed to increase defense budget by 0.9 percent in fiscal 1995. Commenting on the handling of the defense budget at a news conference on 18 November, Chief Cabinet Secretary Kozo Igarashi indicated the difficulty of further cutting back on the defense budget by saying, "Three ruling parties have reached an agreement at the end of their serious consultations and the agreement should be honored."

Commenting on the statement by Secretary General Wataru Kubo of the ruling Social Democratic Party of Japan [SDPJ] that efforts need to be made to further cut the defense budget, Igarashi said: "It is a matter of fact for the government to work to curb the defense spending as much as possible. Every year, the government decides on the percentage of increase in the defense budget on the basis of various study results, and the relationship between the government and the SDPJ cannot determine the percentage of increase." In this way, he indicated the inevitability of differences between the government and the SDPJ over the way of handling the defense budget.

Defense Budget Too 'Limited'

OW2111100594 Tokyo KYODO in English 0932 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—An advisory body to the finance minister suggested on Monday [21 November] that Japan's defense budget should not be so limited, Finance Ministry officials said.

At a meeting of a subcommittee on cost reduction and rationalization under the Financial System Council, some panel members suggested Japan's defense budget should not be so limited given recent historical changes, the officials said.

Subcommittee members called for a more efficient use of the budget, taking the situation in neighboring nations into consideration, they said.

On other expenditures, panel members voiced little support for the notion of building new lines for bullet trains, they said.

Such new projects should not be rushed into without assessing the outlook for profitability and relations with existing railway lines, they quoted some members as saying.

The panel attached more importance to improving harbor and airport facilities and commuter rail lines, they said.

MOF on Public Works

OW1911045994 Tokyo TOKYO SHIMBUN in Japanese 17 Nov 94 Morning Edition p 1

[FBIS Translated Text] On 16 November, the Ministry of Finance [MOF] decided to increase public works-related spending for fiscal 1995 by 4.2-4.3 percent over the original fiscal 1994 budget to a little less than 9.4 trillion yen [Y]. Although financial conditions are severe due to such factors as the drop in tax revenue, the MOF has concluded that the growth rate of public works spending for fiscal 1995 needs to go beyond (the 4.0 percent increase in) fiscal 1994 in light of the sluggish economy. It will be the fifth straight year since fiscal 1991 that public works spending will enjoy a substantial growth rate of at least 4.0 percent.

On the fiscal 1995 budget, the MOF has decided to continue such budget compilation designed to stimulate the economy by increasing public works spending, because it believes the economy "still needs to be supported through budget allocation," (as stated by the MOF's Budget Bureau). At the same time, the MOF aims to display the government's positive stance of promoting improvement of social infrastructure in a concrete manner because fiscal 1995 will be the initial year of the new (10-year) basic program for public investment totalling Y630 trillion.

Among fiscal 1995 budgetary requests for public works-related expenses, approximately Y7.817 trillion has been requested for general public works projects. The MOF intends to basically approve the full amount of these requests. Moreover, in order to deal with damage caused by natural disasters, it intends to earmark (Y68.2 billion), the same amount as the current fiscal year. Thus, public works-related spending is expected to increase to a little less than Y9.3 trillion eventually—which includes: 1) More than Y1.2 trillion of (approximately Y1.3 trillion) projects which make good use of profits from sales of NTT [Nippon Telegraph and Telephone Corp.] shares; and 2) about Y260 billion of (Y300 billion) newly- created special funds for public investment, excluding facility-related expenses.

Meanwhile, regarding public works projects related to the (6-year) agricultural program (totalling Y6.01 trillion) beginning fiscal 1995, the MOF is studying a plan to include spending to cover part of the projects in the draft supplementary budget for the current fiscal year, which will be compiled from now on. Instead, it intends to restrain the growth rate of agriculture-related expenses in the fiscal 1995 budget as much as possible. However, since there are demands among the ruling parties for an additional increase in public works spending, there is a possibility that total public works spending will be further increased.

Ministry on Issuing Bonds

OW2111103094 Tokyo KYODO in English 0955 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—The Finance Ministry is considering issuing new government bonds worth nearly 12 trillion yen to cope with expected financial difficulties in the fiscal 1995 budget, ministry officials said Monday [21 November].

The idea has arisen because of increased expenditures in several areas, including a 6 trillion yen agricultural package to assist farmers under the Uruguay Round global trade pact and an expanded 10-year public works project worth 630 trillion yen, as well as expected smaller tax revenues, the officials said.

Fiscal 1995, which starts next April 1, will be the third straight year that the amount of bond issuance has topped 10 trillion yen, they said.

Consequently, the balance of the national debt is expected to surpass 210 trillion yen at the end of fiscal 1995, they said.

Among the government bonds to be newly issued in the next fiscal year will be construction bonds worth slightly less than 9 trillion yen and deficit-covering bonds worth 3 trillion yen to finance continuing tax cuts, they said.

The construction bonds will finance some public works expenses estimated at 9.3 trillion yen in the fiscal 1995 budget, as well as facilities of non-public works and capital subscriptions to international organizations, they said.

Outstanding government debts amounted to about 196.4 trillion yen at the end of September and are likely to come to 201 trillion yen at the end of next March, they said.

The 201 trillion yen debt is equivalent to 2.7 times the nation's annual budget, they said.

The rate of dependence of fiscal 1994 budget revenues on government bond issues has become high, standing at 18.7 percent, the officials said.

The ministry has set a medium-term objective of lowering the rate to less than 5 percent by fiscal 1999 to put a brake on government bond issuance. But analysts expect this objective is unlikely to be attained as the ministry will have to depend on government bond issues in the next fiscal year as a source of revenue.

Diet Passes Bill Redrawing Electoral Map

OW2111073494 Tokyo KYODO in English 0707 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—The Diet enacted an electoral district demarcation bill and two other political reform bills Monday [21 November], capping a five-year debate on how to eradicate corruption and accelerating a new round of political realignment.

The House of Councillors approved the package at an afternoon plenary session by an overwhelming majority of members from both the ruling and opposition camps. The new electoral system will be promulgated Friday and will take effect on Dec. 25 after a one-month "notification period."

The electoral demarcation bill redraws the current multiseat constituencies for the House of Representatives into 300 single-seat constituencies and 200 chosen by proportional representation.

Political reform has been at issue since the 1988-1989 stocks-for-favors recruit scandal, which led to the resignation of then Prime Minister Noboru Takeshita in 1989.

Subsequent scandals, including the 1992 Tokyo Sagawa Kyubin scandal linking gangsters with national politics, intensified public anger over politics.

The Liberal Democratic Party (LDP) was ousted from power in August last year for the first time since 1955 by a coalition led by Morihiro Hosokawa, who became prime minister.

In January of this year, the Diet enacted a separate political reform package to replace the current electoral system but it could not go into effect until the electoral demarcation bill was passed.

Under the old system, lower house constituencies had anything from two to six seats each, and candidates from the same party often competed against each other, spending massive funds, thus leading to corruption, according to advocates of the new system.

It is the first major overhaul of the electoral system since 1925 when Japan changed its electoral system from a single-seat constituency system to a multiseat system.

The winner-take-all nature of the single-seat system is regarded to favor larger parties.

Noncommunist opposition parties plan to merge into a single party on Dec. 10 in an attempt to wrestle power back from the current ruling coalition led by Prime Minister Tomiichi Murayama.

The ruling coalition comprises Murayama's Social Democratic Party, the LDP and new party Sakigake [Harbinger]. The LDP returned to power in June by backing Murayama.

On Monday, the Diet also enacted an anticorruption bill to strengthen punishment for illegal acts during election campaigns and a bill to facilitate the receipt by political parties of direct funding from tax revenues.

The anticorruption bill would invalidate the election victories of candidates whose election managers are convicted of buying votes.

Under the new election law, political parties that wish to receive public funds for election campaigns will be required to have at least five Diet members or to have obtained 2 percent of the total vote in the previous national election.

Further on Passage of Bills

OW2111093794 Tokyo KYODO in English 0841 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—A package of three political reform bills cleared the Diet on Monday [21 November] to mark the culmination of years of efforts to overhaul Japan's electoral system and weed out the corruption pervasive in politics.

The House of Councillors approved the package, spearheaded by a bil???hat demarcates the boundaries of a fresh electoral map for House of Representatives elections, in a move to quicken the pace of an anticipated reconfiguration of political parties.

"I am filled with deep emotion, because this has long been at the top of the political agenda," chief cabinet secretary Kozo Igarashi said at a news conference.

"The passage of the bills today is the first step toward political reform," the top government spokesman added, citing the need for further efforts to recapture public trust in politics.

With the enactment of the redistricting bill, a new electoral formula that combines single-seat constituencies with proportional representation will take effect on Dec. 25 after a one-month public notice period.

The fresh system for lower house elections will replace the current multiple-seat system under which candidates from the same party often vie in the same voting districts for one of the two to six seats at stake, spending lavishly on campaigns and nurturing a money-drenched style of politicking.

The Diet legislated in January a package of four political reform bills, including legislation aimed at introducing the new polling system for general elections.

The package had to wait for the supplementary three bills to win Diet approval before it was authorized to become effective on Jan. 1 next year.

Monday's passage of the three-bill package through the upper house brought to a conclusion the nation's seemingly endless efforts to revamp its political system. Failure to see reform through to completion brought down the two governments of Toshiki Kaifu and Kiichi Miyazawa.

It is the first overXaul of the lower house electoral system since 1925.

With the adoption of the new method, the number of lower chamber seats will be reduced to 500 from the current 511. Under the fresh formula, 300 of the 500 members will be elected through single-seat voting districts and the remaining 200 through a proportional representation system.

As the winner-take-all nature of battles in single-seat electorates favors big parties, moves toward a full political realignment will be accelerated at a faster speed than before.

Major opposition parties are scheduled to meld into a single party on Dec. 10 with an eye to toppling the tripartite coalition government of Prime Minister Tomiichi Murayama in the not-so-distant future. The ruling coalition comprises the Liberal Democratic Party (LDP), Murayama's Social Democratic Party and new party Sakigake [Harbinger], a small LDP splinter party.

While the opposition has been pressing its demand for an early general election under the new system, the governing union wants to postpone it as long as possible due to a delay in its coordination of electoral cooperation strategies.

Electoral reform aside, a total of 30.9 billion yen will be offered as public subsidies to political parties from the national coffers beginning next year, following the completion of political reform. This is intended to make up for the tighter limits on funding from the private sector, which had been a major source of financial corruption.

The three-bill package, approved by the Diet on Monday, includes an anticorruption bill to tighten up measures for illegal acts during election campaigns and a bill to facilitate the receipt by political parties of public subsidies.

The anticorruption law will invalidate the election victories of candidates whose election managers are convicted of vote-buying, while the political party law will define the qualifications for running a political party as a legal entity.

The fresh election law calls on political parties th?t wish to receive public funds for election campaigns to acquire corporate body status.

The parties will have to include at least five Diet members or obtain at least 2 percent of the total vote in the last national election to qualify for public subsidies.

Outline of Reform Package

OW2111092294 Tokyo KYODO in English 0902 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—The following is the outline of Japan's political reform package whose legislative procedures were completed with Monday's [21 November] Diet passage of three bills related to political and electoral system changes.

—Replaces the current multiseat constituencies for House of Representatives elections with a mix of 300 single-seat districts and 200 seats chosen from a proportional representation system.

—Pares down the number of seats for the lower chamber from the current 511 to 500.

—Proportional representation seats will be contested in each of 11 voting blocs.

—Each voter will be given two ballots with one to be cast for a single-seat candidate and the other for a proportional representation candidate.

—A 30.9 billion yen annual subsidy will be shared out among parties in proportion to the number of Diet members and the percentage of votes garnered by each party.

—Allows individual politicians to receive political donations from businesses and organizations under the constraints of a certain ceiling. This clause will be abolished in five years.

—Stiffens penalties for a politician who breaches legal curbs on political donations.

—Mandates that a party applying for a government subsidy registers with the government to obtain legal status that qualifies it to receive such subsidy.

—Nullifies the electoral victory of a candidate whose campaign managers are found to have bought votes. Such a candidate will be banned from contesting elections for five years if his or her campaign manager is convicted of electoral fraud.

Murayama Hails Passage

OW2111132694 Tokyo KYODO in English 1255 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Prime Minister Tomiichi Murayama said Monday [21 November] completing a political reform package by passing three supplementary bills into law is the starting point for overhauling the country's political reform system.

"This is the starting point of political reform. It does not make sense if (we) do not put soul into the laws," Murayama said in reference to passage into law of three bills at a House of Councillors plenary session Monday [21 November].

"(We) have to make uninterrupted efforts to prevent corruption," Murayama said. By doing so, politicians can "recover the trust of the public," he said.

One of the three laws is designed to demarcate the current 511- seat House of Representatives into two categories, in which 300 seats are elected through single-seat districts and the remaining 200 through proportional representation.

The other two laws call for tightening measures against corruption and redefining the status of political parties to allow them to receive state subsidies for election campaigns.

Murayama said he is not in support of dissolving the lower house for a general election at an early stage because the government must tackle mounting problems such as measures for administrative reform and further shoring up the recovering economy.

Ichiro Ozawa, leader of a major opposition camp eyeing formation of a new party next month to rival the ruling tripartite coalition of Murayama's Social Democratic Party, the Liberal Democratic Party and new party Sakigake [Harbinger], said enacting the reform package is not the goal but the means to creating a new kind of politics and the first step to real political reform.

Ozawa, co-founder of the major opposition party Shinseito [Japan Renewal Party], said he will not press for early dissolution of the lower house.

EU Wants Tokyo To Change 'U.S.-Favoring' Policy

OW1911004094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Nov 94 Morning Edition P 5

[FBIS Translated Text] It has become certain that Japan's expansion of imports by changing its "U.S.-favoring" [beikoku henju] policy and carrying out deregulation will be the major topics dealt with in the Japan-European Union (EU) ministerial talks set to begin in Tokyo on 19 November.

Regarding Japan's "U.S.-favoring" policy, the EU wants to question the following points: 1) Only the United States can participate in meetings to check on the implementation of the Japan-U.S. economic framework talks-produced agreement on government procurement (government purchases of telecommunications and medical equipment); 2) and the Japan-U.S. agreement on cellular phones (portable phones and car phones) concluded in March has helped expand sales of U.S. companies' products only. In the area of deregulation, the EU intends to ask Japan to include the requests it presented in late October, in the five-year plan to be finalized before the end of this year.

The ministerial talks will be attended by Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, and International Trade and Industry Minister Ryutaro Hashimoto from Japan, and EU Commissioners Brittan and Scribnaire from the EU.

Japan's trade surplus with the EU is now declining with the surplus for the January-September 1994 period having dropped to $16.9 billion, about a 20 percent drop over the same period last year, even though this was in part due to a decline in Japanese exports as a result of the overall economic recession in Europe. The EU wants to correct the trade imbalance by expanding its exports to Japan. As such, it wants Japan to pay more attention to Europe and to create conditions whereby European corporations can enter the Japanese market more easily.

EU Seeks Participation in 'Framework' Talks

OW1911042894 Tokyo KYODO in English 0419 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—The European Union (EU) asked Japan on Saturday [19 November] to allow the EU's participation in post inspection procedures of the Japan-U.S. "Framework" trade negotiations, Foreign Ministry officials said.

The request was made by Leon Brittan, EU commissioner for external economic relations and trade policy, in his meeting with Japanese Foreign Minister Yohei Kono on Saturday morning.

Kono ruled out the possibility of Japan-U.S.-EU negotiations by saying Japan and the EU will discuss the results of the Japan-U.S. Framework negotiations, the officials said.

After the Brittan-Kono meeting, the Japan-EU ministerial meeting opened to discuss a wide range of bilateral economic issues toward enhancing European access to Japan's markets and cutting its huge current account deficit with Japan.

Japan posted a trade surplus of 26.26 billion dollars with the EU in 1993 and the figure is likely to narrow by some 20 percent this year. But the EU is asking Japan to set a target of a ratio of its current account surplus to its gross domestic product.

When Tokyo and Washington reached an agreement in telecommunication and medical equipment fields in October, the EU showed concern that Japan's trade policy was good for the United States but discriminatory against the EU.

In order to prevent Japan-U.S. framework talk agreements from having adverse effects on European companies, the EU expressed hope to join the Tokyo-Washington post inspection negotiations, which will be held every year from next year.

The EU is also expected to ask Japan to include in its five-year deregulation promotion plan the EU's requests on deregulations on about 150 issues in telecommunications, financial services and six other fields. The five-year plan is to be drawn up by the end of next March. In addition, the EU is likely to ask Japan to buy aircraft and their engines.

EU Seeks Help To Build Closer Ties With APEC

OW1911092094 Tokyo KYODO in English 0813 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—The European Commission on Saturday [19 November] called for Japan's cooperation in helping beef up the European Union's ties with the Asia-Pacific Economic Cooperation (APEC) forum, government officials said. The EU wants to reinforce its ties with APEC to deepen "dialogue" with the Asia-Pacific region, Leon Brittan, EC commissioner in charge of economic relations and trade policy, was quoted as saying.

"The EU hopes Japan will take an initiative in realizing the proposal," Brittan said, according to the officials. The commission made the request during the sixth, one-day Japan-EU ministerial meeting in Tokyo.

Japanese Foreign Minister Yohei Kono was quoted as saying Japan will study the request "fully" but that it will be probably difficult to win overall APEC consensus.

Kono explained that APEC members, especially Asian countries, are wary of the EU's participation in APEC matters, thinking that the EU may impose European ideas or concepts.

Under increased connection between the two bodies, APEC may see its influence in the global economic arena reduced, Kono was quoted as saying.

Brittan said the EU understands the concern but that APEC has grown significantly and would not be shaken by outside groups such as the EU, according to the Japanese officials.

EU Commissioner Holds News Conference in Tokyo

OW1911140594 Tokyo KYODO in English 1337 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—Japan and the European Union (EU) agreed Saturday [19 November] to introduce a set of trade facilitation and industrial cooperation measures aimed at cutting the large trade imbalance now in favor of Tokyo.

"We have achieved concrete results...on many items," Leon Brittan, EU commissioner in charge of external economic relations and trade policy, told a news conference in Tokyo after attending the one-day Japan-EU ministerial meeting.

The sixth ministerial meeting was aimed primarily at confirming unity in further promoting Japan-EU economic ties and accelerating the recent downward trend in Japan's current account surplus with the EU, Japanese officials said.

The Japanese side offered proposals to address a range of problems the EU has listed as trade barriers and unfair practices.

Among such proposals are the reconfirmation of Japan-EU trade ties on a most-favored-nation (MFN) basis, an improved labeling system in foodstuffs and mutual recognition of trade standards and certificates in medical equipment, textiles and consumer electrical products.

A Japanese official said, "these agreements will contribute to easing the financial burden not only among EU companies but among Japanese firms."

"Japan understands the meeting has achieved the two major goals of confirming further promotion of Japan-EU industrial cooperation and wiping out mutual concern each party has had on some trade areas," the official said.

The chief concern among EU nations has been that Japan's trade focus is excessively tilted toward the United States.

The EU has also criticized Tokyo for what it views as discriminatory treatment of EU nations in trade.

The EU, for example, has complained that data certified for medical equipment in the EU has to undergo another inspection procedure in Japan, citing the immunity of such testing for U.S. companies.

As a means to placate such a concern, the Japanese side clarified anew its policy Saturday that the trade benefits it accords to the U.S. as a result of their negotiations will also be applied to EU countries on an MFN basis.

Brittan said the European Commission agreed with Japan to promote "dialogue" to reflect Japan-U.S. trade "framework" steps in trade with the EU "in a comparable manner and using the same information as in the consultations with the U.S. Government."

Under the latest accord, Japan and the EU will begin talks next year to work out a specific framework on mutual standard recognition, for example.

In the meeting, the European Commission urged Japan to formulate a set of deregulatory measures in line with a request paper the commission presented to Japan in March this year, Japanese officials said.

The EU regards deregulation as more effective than the sectoral trade deals the U.S. often uses in trimming its trade deficit with Japan, the officials said.

The request paper, prepared by Brittan, covers nearly 150 items in eight areas, ranging from investment, telecommunications and financial services to farm product distribution systems and to standards and certificates.

"Today I received a clear signal that Japan will take our ideas in a five-year deregulation package seriously," Brittan said.

The Japanese participants at Saturday's meeting were Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, International Trade and Industry Minister Ryutaro Hashimoto, Agriculture, Forestry and Fisheries Minister Taichiro Okawara and Economic Planning Agency Director General Masahiko Komura.

Brittan led the EU delegation, which also included Christiane Scrivener, commissioner for customs, taxation and consumer policy, and Rene Steichen, commissioner for agriculture and rural development.

While hailing Saturday's accord on a set of trade facilitation measures, Brittan said that outstanding problems still remain and that "more progress needs to be made."

Brittan said he urged Tokyo during Saturday's meeting to reduce the ratio of Japan's global current account surplus to around 2 percent of its gross domestic product (GDP) from the current 3.1 percent.

"I made it clear that the combination of macroeconomic policy and structural measures should be set to bring down the ratio to that figure," Brittan said.

He also said it is "reasonable" to have such "expectations" during 1994-1995.

"The 2 percent figure—that would not be a commitment or target," he said, apparently countering an expected criticism from the Japanese side as employing managed trade, a method the EU has dismissed while observing Japan-U.S. framework talks.

Japan's Finance Minister Takemura was quoted by Brittan as saying there are "reasonable expectations" for Japan to make efforts to "move in that direction."

But Takemura did not make any commitment on a deadline for achieving the figure.

In the Japanese Government's economic outlook for fiscal 1994, the current account surplus ratio is set at 2.8 percent of GDP.

On the trade front, the EU side has claimed Japan's private sector has given more priority to buying products from the U.S. than from Europe in line with the government's administrative guidance, the Japanese officials said.

Japanese companies are sensing tacit expectations from their government that they should buy American products, commission officials were quoted as saying, expressing hope that Japanese companies will engage in trade activity purely from business and economic points of view.

The criticism was taken as a veiled EU request for the Japanese Government to pressure the private sector to shift more to European companies.

The Japanese side countered such a claim, saying the government has no role to play in the private sector, the officials said.

The Japan-EU ministerial meeting was first held in Brussels in May 1984. The following four meetings were all held in the European city, except the second meeting in Tokyo in 1985.

The meeting has become institutionalized recently, based on a joint declaration between Japan and the European Community (EC), the predecessor of the EU, in July 1991.

The declaration is designed to promote cooperation between the two parties as a way to forge closer links in economic, political, scientific and cultural areas.

EU Agrees To Strengthen Economic Relations

OW1911102894 Tokyo KYODO in English 1006 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—Japan and the European Union (EU) agreed to strengthen their economic relations at an annual ministerial meeting held in Tokyo on Saturday, Japanese Government officials said.

The sixth ministerial meeting was aimed primarily at confirming unity in further promoting bilateral economic ties and thus helping cut the trade imbalance in favor of Tokyo.

In 1993, Japan's trade surplus with the EU came to 26.26 billion dollars.

The half-day meeting focused on Japan's response to a range of problems the EU listed as trade barriers and unfair practices, the officials said.

"Japan understands the meeting has achieved the two major goals of confirming further promotion of Japan-EU industrial cooperation and wiping out mutual concern each party has on some trade areas," a Japanese official told reporters.

During the session, including a working luncheon, Japan and the European Commission evaluated a wide range of trade facilitation and industrial cooperation measures Japan has proposed in the past year, which were shown in two trade reports the Japanese side presented to the EU on Saturday.

The chief concern among EU nations has been that Japan's trade focus is excessively tilted toward the United States.

As a means to placate such a concern, the Japanese side asserted the trade benefits it accords to the U.S. as a result of their negotiations will also be applied to EU countries on a most-favored-nation (MFN) basis, the Japanese officials said.

The Japanese participants at the meeting were Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, International Trade and Industry Minister Ryutaro Hashimoto, Agriculture, Forestry and Fisheries Minister Taichiro Okawara and Economic Planning Agency Director General Masahiko Komura.

Leon Brittan, EC commissioner for external economic relations and trade policy, Christiane Scrivener, commissioner for customs, taxation and consumer policy, and Rene Steichen, commissioner for agriculture and rural development, represented the EU side.

In the meeting, the European Commission urged Japan to formulate a set of deregulatory measures in line with a request paper the commission presented to Japan in March this year, the officials said.

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The criticism was taken as a veiled EU request for the Japanese Government to pressure the private sector to shift more to European companies.

The Japanese side countered such a claim, saying the government has no role to play in the private sector, the officials said.

The European Commission also sought EU participation in the Japan-U.S. trade "framework" talks.

But the Japanese side was quoted as rejecting the request, saying framework talks are for bilateral ties between Tokyo and Washington.

But this does not mean trade results or benefits that would come from the talks are not applied to European companies, the Japanese side was quoted as saying.

EU companies, if they want, would be given access to data and information from the framework talks, the Japanese side said.

The commission proposed setting up a joint study panel to conduct a survey of why European products that sell well in third countries are not received well in Japan, the officials said.

Also high on the agenda were a European request for Japan to make added efforts to reduce the ratio of Japan's current account surplus to its gross domestic product (GDP).

The commission urged Tokyo to show a specific commitment to slash the imbalance ratio to around 2 percent.

The Japanese side pledged commitment on efforts toward reducing the rate but did not accept anything like a numerical target, the officials said.

In the government economic outlook for fiscal 1994, the ratio of Japan's global current account surplus is set at 2.8 percent against the GDP.

Other topics taken up included assessments of the global economy and customs procedures, the officials said.

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The meeting has become institutionalized recently, based on a joint declaration between Japan and the European Community (EC), the predecessor of the EU, in July 1991.

The declaration is designed to promote cooperation between the two parties as a way to forge closer links in economic, political, scientific and cultural areas.

Tokyo Vows To Deepen Chip Trade Ties With EU

OW1911093494 Tokyo KYODO in English 0905 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—Japan pledged maximum efforts Saturday [19 November] to deepen its ties with the European Union (EU) in the semiconductor trade, government officials said.

The pledge was made in response to a request by the European Commission for Tokyo to treat EU chip makers equally with those of the United States, the officials said.

Meeting Japanese International Trade and Industry Minister Ryutaro Hashimoto, Leon Brittan, commissioner in charge of external economic relations and trade policy, said EU nations have the impression that Japan is discriminating against European makers in the chip trade.

In an attempt to allay such EU concerns, Hashimoto was quoted as saying Japan will send to Europe in December a trade mission comprising chip users and importers.

Hashimoto also said Japan welcomes EU chip makers' participation in an industrial cooperation program between the Japanese and U.S. chip industries, the officials said.

Hashimoto and Brittan are in Tokyo to attend the sixth Japan-EU ministerial meeting.

Accord Reached on CD-ROM Patent Distribution

OW1811140994 Tokyo KYODO in English 1248 GMT 18 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 18 KYODO—The Japanese, U.S. and European Union (EU) patent office chiefs agreed Friday [18 November] on the distribution of patent information by compact disc read-only memory (CD-ROM).

CD-ROM uses compact discs similar to audio discs as a computer storage medium.

The agreement came at a meeting in Tokyo between Akira Takashima, director general of Japan's Patent Office, Bruce A. Lehman, head of the U.S. Patent and Trademark Office, and Paul Braendli, president of the European Patent Office, Japanese officials said.

At the meeting, the trio exchanged opinions on the distribution of patent information by electronic means, the formulation of rules unifying methods of assessment and cooperation with developing nations.

The patent chiefs also agreed to exchange patent information by means of CD and to offer CDs for use by developing nations and the private sector.

The proposed storage of English-language abstracts and drafts of Japanese patent information on CDs will considerably boost efficiency in patent information retrieval and can save space for preserving records, the officials said. A test CD-ROM version of English abstracts and drafts of Japanese patent information will be prepared by the spring of next year. The abstracts of Japanese patent information prepared so far in English will all be stored on CDs within a few years, they said.

The patent chiefs also agreed to make public, through the Internet, about 4,000 files of AIDS-related patent information possessed by the three patent offices.

Tokyo To Keep Pressing China for Tax Break

OW2111115394 Tokyo KYODO in English 1056 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Japan will keep asking China to maintain a promised tax refund for foreign firms, a top trade official said Monday [21 November].

Vice Minister of International Trade and Industry Hideaki Kumano said his ministry has not confirmed a report that Beijing will refund a value-added tax to foreign firms established this year.

"What we have maintained all along is that (China) must make the refund as promised to companies that have long invested (there) as well," Kumano told a news conference.

He indicated Tokyo will continue to seek tax refund measures for Japanese and other foreign firms operating in China.

China instituted a flat 17 percent value-added tax in January, exempting products made by foreign-affiliated firms if they were for export. But the Chinese Government said in August it would halt the preferential treatment for foreign firms.

China's official XINHUA NEWS AGENCY, quoting a senior State Administration of Taxation official, reported that "joint ventures established in 1994 are given the same treatment as the domestic ones."

For firms established through last year, the unnamed official said the tax policy "will remain unchanged" and that "this will not lead to an increase in the actual tax burden of these firms."

Some Japanese media inferred that China will not refund the tax to previously established firms and that

Beijing appears to be trying to ease concerns of new entrants to the Chinese market, while opposition will continue from established foreign firms.

Oil Firms Moving Into Chinese Lubricant Market

OW2111101594 Tokyo KYODO in English 0804 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Japanese oil companies are moving into the Chinese engine lubricant market as it continues to expand due to an increasing number of automobiles in the country, industry sources said Monday [21 November].

They said joint ventures in China import Japanese-made lubricants, add chemicals and pack the oil in cans for local marketing.

The operations require small investments and involve little risk, the sources said.

A Chinese joint venture of Japan Energy Corp. and a national enterprise in Shandong Province is building a 300 million yen lubricant plant, the company said.

On completing the plant next April, the venture is expected to start annual production of 10,000 tons of lubricant for gasoline and diesel engines for marketing under the Japan energy brand.

Cosmo Oil Co. is test-marketing in China a lubricant made by a South Korean company.

Cosmo intends to build a lubricant plant if the test marketing proves successful, officials said.

Idemitsu Kosan K.K. and Mitsubishi Oil Co. are among other Japanese companies considering the possibility of entering the Chinese lubricant market.

Annual demand for lubricants in China is estimated at 3 million tons, and locally made lubricants of poor quality account for most of the current supply, the sources said.

Japanese-made products are of higher quality but are also more expensive.

Most Japanese oil companies are also looking to build joint-venture oil refineries in China to export their products to Japan, the sources said.

With such ventures in mind, the Petroleum Association of Japan, an industry group, plans to send a mission to China next spring to start technical exchanges on oil refining with Chinese authorities.

TSE, China Reach Securities Dealing Accord

OW2111100494 Tokyo KYODO in English 0857 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—The Tokyo Stock Exchange (TSE) and China have reached agreement on securities transactions, paving the way for the listing of Chinese stocks in Japan, the TSE said Monday [21 November].

Exchange officials said the agreement between the TSE and the China Securities Control Commission covers bonding of securities and settlement of transactions.

Concrete measures for the settlement of securities transactions will be worked out when a Japanese delegation visits Beijing in December, the officials said.

They said Mitsuhide Yamaguchi, president of the exchange, is scheduled to travel to China next spring to work on the listing of Chinese enterprises' stocks. The officials said the approach to China is part of a deregulation process to revitalize the securities market.

The TSE has decided to relax screening standards for the listing of foreign stocks in Japan. The officials said Chinese officials pledged to work out measures for the disclosure of corporate information to investors. They said more than 200 Chinese enterprises now meet the existing listing requirements for the TSE.

Western Powers Interested in Nuclear Consortium

OW2111103794 Tokyo KYODO in English 0951 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Britain, France and Germany have "shown interest" in a plan to set up an international consortium to provide North Korea with safer Western-style nuclear reactors, Vice Foreign Minister Kunihiko Saito said Monday. Saito told a news conference he asked for the three nations' cooperation in the planned consortium when he held separate vice ministerial meetings last week in the three countries.

Japan wants participation from as many countries as possible in the consortium and the three major European countries' cooperation is important, Saito said. Britain, France and Germany, however, did not make a specific commitment, he said.

Last Saturday, Foreign Minister Yohei Kono urged the European Union ministers to join the consortium, provisionally dubbed the Korean Energy Development Organization (KEDO), but the European body remained noncommittal.

The international consortium will be set up as part of the U.S.- North Korea nuclear agreement signed on Oct. 21 in Geneva.

In return for Pyongyang's pledge to freeze its nuclear program, Washington promised to organize KEDO to provide North Korea with two light-water reactors that produce less plutonium, a key ingredient for nuclear weapons, to replace its graphite-moderated reactors.

The establishment of the consortium is being discussed among Japan, South Korea and the United States.

South Korea and Japan are expected to play central financial roles in the consortium.

According to ministry sources, countries in Southeast Asia apparently have little interest in joining the consortium, while European countries are also less responsive about it than the nuclear dismantling project in Ukraine.

DPRK Delegation Withdraws Plan To Visit Tokyo

OW2111110894 Tokyo KYODO in English 1045 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—A North Korean Government delegation has decided to rescind a plan to visit Japan later this month for talks on the proposed normalization of diplomatic ties between the two nations, a source in the ruling Social Democratic Party (SDP) said Monday.

The SDP source said the (North) Korean Committee for Cultural Relations With Foreign Countries, an agency in charge of informal contacts with Japan due to the lack of diplomatic ties, dropped the plan to send the delegation from Nov. 24 to Dec. 4.

The committee had planned to push efforts to revive diplomatic ties with Tokyo through talks with Japanese coalition officials, including Koichi Kato, chief of the Policy Affairs Research Council of the Liberal Democratic Party, one of the three coalition parties in the government of Prime Minister Tomiichi Murayama.

The source attributed the cancellation to North Korean and SDP fears that proceeding with talks on the terms of a North Korean acceptance of a coalition delegation to Pyongyang might draw further fire from within the government and force the scrapping of the planned mutual visits.

The SDP, a key coalition party, has been the chief proponent of a plan to send a delegation of executives from the three coalition parties to Pyongyang to push the proposed rapprochement between the two nations.

Kim Yong-sun, secretary of the Workers Party of Korea (WPK), told a Japanese television network Nov. 8 that Pyongyang would accept a coalition delegation only after Tokyo reaffirms the validity of a joint declaration issued in 1990.

That declaration, issued by the WPK, the LDP and the SDP, urged Japan to compensate North Korea "for enormous misfortunes and miseries imposed upon the Korean People for 36 years, and the losses inflicted upon the Korean people in the ensuing 45 years after the war."

However, the declaration has come under tough criticism from LDP executives, who argued that it does not have any binding power over the Japanese Government.

The source added, however, that the SDP will seek to realize the plan to send a coalition delegation to Pyongyang by the year-end by pressing ahead with talks with the pro-Pyongyang Association of Korean Residents in Japan, the General Association of Korean Residents in Japan (Chongnyon).

"It may be difficult to realize the plan to send a coalition delegation in the near future," one coalition source said, in apparent reference to a reported suggestion that the SDP might send an advance team of its own legislators to push the process.

Japan-North Korea normalization talks collapsed in 1992 after Pyongyang spurned Japanese demands that it provide information on a Japanese woman allegedly abducted to train a self-confessed North Korean terrorist, Kim Hyon-hui, who was convicted of blowing up a Korean Air jet in 1987.

MOFA Officials on Intelligence Analysis Functions

OW2111140694

[FBIS Editorial Report] Tokyo Asahi Newstar Television Network in Japanese at 1111 GMT on 20 November, during its regularly scheduled "Sunday Project" program, carries a 63-minute interview with five Ministry of Foreign Affairs (MOFA) officials—Hitoshi Tanaka, Comprehensive Foreign Policy Bureau General Affairs Division director; Masato Kitera, Economic Cooperation Bureau Grant Aid Division director; Naoko Saiki, chief analyst of the Overseas Information Bureau First Analysis Division; Seiji Morimoto, European and Oceanic Affairs Bureau First West Europe Division director; and Arata Fujii, North American Bureau First North America Division chief staff member. During the interview, moderator Soichiro Tahara asks the participants about their daily duties and positions on current issues.

After discussing such general topics as the MOFA officials' cultural experiences, income levels, and characteristics of Japanese people, the subject turns to MOFA's reactions to foreign events such as the death of the DPRK's Kim Il-song.

Fujii, who was in charge of DPRK affairs when Kim Il-song died, says the Northeast Asia Division first learned about the event from a Pyongyang radio report. Asked if MOFA had considered the possibility of a coup attempt or political confusion in the DPRK following Kim Il-song's death, Fujii says: "I cannot say much about that, but on that day, our actions were taken based on information denying the existance of such moves." Tanaka, who was in Naples for the Group of Seven summit, says the information obtained by MOFA from Pyongyang radio became the initial information given to the U.S. mission in Geneva.

In response to Takara's question asking if MOFA has informants within the DPRK Government, Fujii says: "Maybe, but as a matter of course, we have certain limitations." Fujii continues: "The most important

aspect (of intelligence gathering) is building a base—or frame—from open-source information. We do this everyday on a step-by-step basis, but we cannot get the full picture from the frame alone. Therefore, we collect various types of information, including groundless rumors, to flesh out the frame even though I cannot say from where that information comes from. In the DPRK's case, we do not have much information to form a base, and, on the other hand, there are too many rumors from unreliable sources. However, we cannot completely ignore such unreliable information because it is often of interest to us, but we have to seek facts to endorse it. At that time, we were able to determine if military moves were taking place in the DPRK. Our course of action was dependent on moves by the DPRK Forces."

Asked about the Overseas Information Bureau First Analysis Division's functions, Saiki says: "We roughly have two categories to analyze. One is regional analysis, and the other is analysis on specific subjects. In regional analysis, we analyze such regions as the former Soviet Republics, including Russia and Ukraine, North and Latin America, and Europe. In subject analysis, we handle such issues as security affairs, economics, terrorism, and narcotics from global viewpoints. We do not have much manpower—the First Analysis Division consists of 17 staff members." Asked how many staff members the entire bureau has, Saiki says "about 50."

Touching on the significance of the Overseas Information Bureau, which was founded in August 1993, Tanaka says: "We have regional bureaus that collect and analyze information on each region of the world. But the Overseas Information Bureau is a tool to analyze and assess information separately and objectively. This means that analysis conducted by the Overseas Information Bureau may reach conclusions that are different from those reached by our regional bureaus. In this sense, the bureau was formed to encourage competition in mk 21/140.

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At 1214 GMT the discussion concludes.

LDP To Disband Party Factions By Year-end

OW1911014294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Nov 94 Morning Edition p 2

[FBIS Translated Text] At a meeting on 17 November, the Liberal Democratic Party's [LDP] party reform headquarters (headed by Masajuro Shiokawa) decided to hold a joint meeting of party leaders, including LDP President Yohei Kono, and heads of five party factions on 24 November to confirm a plan to dissolve the factions before the end of the year. Because there is no consensus among the five factions on disbanding, the party leadership will seek their understanding and cooperation. LDP Secretary General Yoshiro Mori said in a speech on 17 November: "We have already confirmed that faction offices will be closed by the end of the year. I hope faction heads and party leaders will make a final decision through talks."

In its report issued in August, the headquarters recommended that faction offices be closed before the end of the year. However, it excluded "policy study groups" from the dissolution plan. Therefore, some factions have begun moves toward transforming themselves into policy study groups in a bid to continue to exist. At the 17 November meeting, many voiced: "The offices of policy study groups, such as 'Group Shinseiki,' should also be subject to the closure plan."

LDP's Kato Interviewed on Future Government

OW1911011794 Tokyo ASAHI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 7

[Interview with Koichi Kato, chairman of the Policy Research Council of the Liberal Democratic Party, by an ASAHI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [ASAHI SHIMBUN] What do you think will be the axis of policy confrontation from now on?

[Kato] I believe three issues will be the axis of policy confrontation. The first concerns whether Japan should attach importance to the use of force or to the conduct of diplomacy to settle international conflicts. The second concerns whether Japan should aim for a "big government" or a "small government." The third issue is whether leadership-style political tactics attaching importance to results should be adopted or cooperation-style political tactics calling for dialogue.

I believe it is desirable for Japan to have a far smaller government than at present. The Liberal Democratic Party [LDP]- run government during the post-war years adopted social democratic policies before the Social Democratic Party of Japan [SDPJ], which was in opposition, advocated adopting them. As a result, Japanese society has been transformed into a society where individuals cannot speak confidently. If the present government is not made leaner, we cannot expect our nation to generate vitality.

[ASAHI SHIMBUN] The SDPJ, which is now shoring up the coalition government with the LDP, is advocating the need to maintain a big government. What is your comment?

[Kato] As a whole, Japan has a big government and the SDPJ has insisted on a bigger government in the past. Both the LDP and SDPJ, which are shoring up the coalition government, share the same foreign policy and political tactics. However, both the ruling and opposition parties disagree on the size of government. I believe that while the planned new-new party and Komeito favor a big government, Shinseito [Japan Renewal Party] will aim for a small government.

I myself believe that it would be good if both the LDP and SDPJ agreed on the policy of attaching importance to diplomacy, a small government, and liberal political tactics, but it would be hard for the two coalition partners to reach such agreement. I think there are political forces that support the policy of attaching importance to diplomacy and a big government, but I cannot understand their attitude.

[ASAHI SHIMBUN] Do you share the same view as Shinseito Secretary General Ichiro Ozawa on a small government?

[Kato] Perhaps we share the same view. The LDP has sought to form a small government since it formed a single-party government. Both Ozawa and I have insisted on the need to form a small government.

If the present situation is allowed to continue as is, the welfare budget will balloon in the future. Measures should be taken to keep the welfare budget from growing to the point where it will surprise the people. Meanwhile, the people's burden of the welfare budget should not exceed 50 percent. Looking at various aspects of welfare, we should pay attention to social service activities. The government should not merely provide nurses and expenses for welfare. If individuals are not armed with the spirit of looking after others through a volunteer spirit and mutual help in communities, the government will not become lean.

[ASAHI SHIMBUN] The LDP probably cannot abandon its welfare policy because it decided to protect agriculture after being unable to abandon it. What is your opinion?

[Kato] The LDP wants to avert drastic changes. It also needs to take steps to help the poor to ensure a minimum living standard for citizens. My view is that the present welfare policy is good as is, but some disagree on the need to review it. I believe that a review would to some extent serve to transform present society into a more pleasant one. The combination of a small government and a minimum living standard for citizens would pave the way for creating such a society.

The handicapped, disabled, and single parents should be taken care of with the policy of high welfare and a low burden. A small government would be able to look after them. In order for all the people to benefit from medical services and pensions, the people should share a high burden of the welfare budget. Therefore, it is necessary to come up with an idea on how to promote mutual help and volunteer activities.

Ozawa 'Cautious' About Electoral Cooperation

OW1911025694 Tokyo YOMIURI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 4

[FBIS Translated Text] At a 14 November news conference, Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa (who is chairman of the opposition parties' executive committee of the new party preparatory panel) commented on the political realignment moves being made by "the New Democracy Alliance" [NDA], a policy group led by Sadao Yamahana of the Social Democratic Party of Japan. He said: "No matter what party a person belongs to, it is only natural for us to cooperate with him if we share the same stand." In this way, Ozawa indicated a positive stance toward allying with the NDA.

However, Ozawa was cautious about the issue of providing the NDA with electoral cooperation after the proposed new-new party is formed. He pointed out: "To provide cooperation, we must have a deep relationship of trust or a strong sense of unity, even though we are two different parties. Such cooperation cannot be achieved unless we actually make our supporters and voters think that a close friendship has been formed between the new-new party and the NDA."

New-New Party Said Plagued by Factionalism

OW1911051994 Tokyo YOMIURI SHIMBUN in Japanese 18 Nov 94 Morning Edition p 3

[FBIS Translated Text] While more than 220 people from non-communist opposition parties and groups are set to launch a new-new party on 10 December, already there are moves among them to form policy groups along the lines of their original parties and floor groups—with their eyes set on the days after the party has begun.

Komeito and the Democratic Socialist Party [DSP], supported respectively by Soka Gakkai [a Buddhist group] and the trade unions, insist they need to retain their local party organizations as transitional measures "to cushion too drastic change," but apparently there is an additional intention of dealing with the forthcoming sweeping reorganization of the political world.

Furthermore, primarily among young politicians who have left the Japan Renewal Party [Shinseito], Japan New Party [JNP], and Liberal Democratic Party [LDP], there are moves probing the formation of a new group that cuts across all the parties and groups. All this indicates the leadership of the new-new party will have hard time keeping the party unified as well as in running the organization.

At a party convention on 5 November, Komeito confirmed it should form a policy group within the new-new party in order to have Komeito's policy ideals reflected in the party, to maintain its local chapter organizations, as well as to maintain its relationship with Soka Gakkai, its primary support group. The DSP (a ranking official), meanwhile, declared: "It is not desirable for us to be the only one to break up." Following the dissolution of the party on 11 December, its local chapter organizations will be renamed as chapters of the Democratic Socialist Association, and thus will be kept intact.

DSP General Secretary Kansei Nakano insisted: "It is not a faction," but most observers think its purpose is to enable the members of the group to move in unity in the event of a reorganization of the political world.

Ichiro Ozawa, chairman of the enforcement committee of the new party preparation association, does not like Komeito and the DSP's moves, and said: "If all the parties and groups form permanent and closed organizations of their own, there cannot be a new party." He strongly warned against moves to form "factions" from the perspective of unity and the smooth operation of the new-new party.

But in contrast, among the young members of Shinseito are also voices in favor of keeping a mutually-assisting system like that of the factions. The young members said: "Ozawa spoke from the position of enforcement committee chairman. Shinseito, which split from the Takeshita faction of the LDP, should be able to muster enough support in the elections."

Still, the JNP's General Secretary Matsuoka has rejected forming a faction, saying: "We should melt into the new-new party." Another official admitted: "Since we have no solid bases in the constituencies, the only way left for us is to build up relations with other parties in the new-new party."

In the case of the Liberal Reform Alliance [jiyu kaikaku rengo], made up of four groups of people who defected from the LDP, it has the problem of "not being able to work with Komeito" (according to a former cabinet member), and also of not being able to get along with Shinseito either. Given these conditions, it is quite possible for the organization to form some kind of group. An official of Koshikai predicted that it is possible it will be split into two groups—one rejoining the LDP and the other forming a group of its own.

Aside from these moves by former parties to form new groups within the new party, the "Alliance of Young Politicians To Create Responsible Politics" (representative Takashi Sasagawa), which is made up lower house members of less than four terms and makes up about two-thirds of the members of the new party preparation association; and the "Association of the First Term Dietmembers To Push for Unity" (representative Kenzo Yoneda), which is made up of first term members of both lower and upper houses, are getting together to campaign for a system which will enable party members to elect the party president publicly and also enable them to recall him if necessary. They also want to exercise and impose their power by majority on the leadership even after the party is formally formed.

With the new-new party having so many people in it, some people, like a ranking official of Komeito said: "In fact, if no groups are formed within it, that will be strange." But there is no doubt that if all the groups insist and persist on their own positions on personnel matters or on selecting candidates to run in the elections, rifts will develop amidst the unity.

Yamahana on Timetable for New Democratic Party

OW1911034594 Tokyo KYODO in English 0317 GMT 19 Nov 94

[FBIS Transcribed Text] Otsu, Japan, Nov. 19 KYODO—Sadao Yamahana, leader of a rebel group within the ruling Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ], said in Otsu on Saturday [19 November] he will launch a new party after the Diet's extraordinary session closes.

Yamahana, chairman of the New Democratic League, told a labor union seminar in Otsu, Shiga Prefecture that he and his supporters within the SDP may quit the party even before the formation of the new party.

Yamahana, a former SDP chairman, said the launch of the new party may come between the end of the extraordinary Diet session in December and the start of the regular Diet session in January. He said he will urge the SDP leadership to convene a party convention in January, threatening to break up the SDP, a party to the three-way governing coalition with the Liberal Democratic Party and new party Sakigake.

Kubo To Finish Blueprint of New Party by 10 Dec

OW1911040994 Tokyo KYODO in English 0324 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—The No. 2 man in the ruling Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ] said Saturday [19 November] he intends to finish the blueprint of a new "democratic liberal" party he envisages by the time another new party is set up by the opposition.

SDP Secretary General Wataru Kubo said in a TV ASAHI program that he would try to "make it visible how (the new party) will be formed and in what shape" by Dec. 10. The date is set by the main noncommunist opposition parties and groups to merge into a single party in an attempt to wrest back power from the current coalition led by Prime Minister Tomiichi Murayama.

Kubo has been promoting inside and outside the SDP on a new middle-of-the-road party comprising a wide spectrum of liberal and democratic groups. He aims to make the new party become a power to cope with the two political main powers, the conservative-dominated Liberal Democratic Party and the other new party to be set up by LDP splinters and others.

He said his group is "not trying to form a new party to counter the Murayama administration," but if the new party is formed by means of the breakup of the SDP, the new party will not join hands with the current coalition government to create a new administration.

Kubo also predicted there will be three possible combinations in forming a new coalition if Japan's political scene is reorganized into mainly three powers of the LDP and the two new parties. "It is possible that the neo-new party (of the opposition) and we form a government," he said.

Igarashi Says SDPJ Unlikely To Dissolve in Jan

OW2111034894 Tokyo KYODO in English 0308 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—The Social Democratic Party (SDP), one of the three ruling coalition parties, is unlikely to disband itself in January as some party members have been urging, Chief Cabinet Secretary Kozo Igarashi predicted Monday [21 November].

"It is OK to decide at a party convention in January on a policy to disband the SDP but I doubt the actual dissolution will take place in January," Igarashi, a senior SDP member, told reporters.

He specifically cited procedural difficulties in making arrangements within December for launching a new party, as advocated by SDP Secretary General Wataru Kubo and his supporters.

Kubo reiterated Sunday he wants to form a new "Democratic Liberal" party before the regular Diet session begins in January.

Asked at his private residence about Kubo's renewed vow, Igarashi, the top spokesman for the government of Prime Minister Tomiichi Murayama, the SDP's chairman, urged the Kubo camp to be prudent in setting tough conditions for the party's breakup.

The SDP shares the reins of government with the Liberal Democratic Party and New Party Sakigake [Harbinger].

Kubo said on a television program Sunday that the decision to form a new party could depend on a symposium scheduled for Nov. 26. The symposium is cosponsored by a policy group within the SDP—the New Democratic League led by former party head Sadao Yamahana—and Diet members from other parties.

Komeito Decides To Name New Party 'Komei'

OW1911124194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Nov 94 Morning Edition p 2

[FBIS Translated Text] Komeito at a meeting of its Central Executive Committee on 18 November formally decided that the new party to be formed by the party's local government assembly members and its House of Councillors members after the party is dissolved should be called "Komei." The party also decided that the name of the party to be formed by the party's House of Representatives members, which will exist during the period of transition into the new-new party, should be called "Komei Shinto [New Party]."

Hatoyama Drops Out of Hokkaido Governor Race

OW2111135894 Tokyo KYODO in English 1307 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Former deputy chief cabinet secretary Yukio Hatoyama said Monday [21 November] he will not run in the Hokkaido gubernatorial election next spring.

Hatoyama, secretary general of new party Sakigake [Harbinger], a small bloc in the tripartite ruling coalition, made the remark to reporters after meeting the chairman of the Hokkaido chapter of the Liberal Democratic Party (LDP), Sakigake's coalition partner.

He told reporters that he conveyed his intention not to run in the race to Shoichi Watanabe, a House of Representatives member of the LDP and the chairman of the party's Hokkaido chapter.

Hatoyama was elected to the lower chamber from Hokkaido's no.4 constituency.

He indicated last Thursday that he would run in the race after being asked by the LDP's Hokkaido chapter and the local business community but decided to drop the idea because of opposition from local supporters and fear that his entry into the race could hamper cohesion in the coalition, observers said.

The other coalition partner, the Social Democratic Party (SDP) of Prime Minister Tomiichi Murayama, has declared its support for former Hokkaido Deputy Gov. Tatsuya Hori in the race to succeed Gov. Takahiro Yokomichi, who has said he will not seek another term and was a member of the lower chamber before assuming the Hokkaido office.

The 47-year-old Hatoyama is a grandson of former Prime Minister Ichiro Hatoyama, the first president of the LDP, and was deputy cabinet secretary under former Prime Minister Morihiro Hosokawa.

At a press conference late Monday, Hatoyama formally announced that he will not run in the gubernatorial election.

Funds Collected by Local LDP Down 30 Percent

OW1911115694 Tokyo KYODO in English 1053 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—Tax-free political funds collected by the Liberal Democratic Party's [LDP's] provincial chapters during 1993 totaled 15.3 billion yen, a sharp 30 percent drop from the year before, a KYODO new service survey showed Saturday [19 November].

The aggregate amount of political funds collected by all political groups and reported to prefectural authorities came to 158.3 billion yen, a slight increase from 157.9 billion yen in 1992, according to the survey.

The decrease followed the prolonged recession and self-restraint political parties imposed on themselves in the wake of corruption cases and public criticism.

The survey is based on reports submitted to prefectural governments.

All branch organizations of major political parties, except those of the Japanese Communist Party (JCP), marked decreases from the year before.

The LDP, the key party in the current coalition government led by Prime Minister Tomiichi Murayama, posted the biggest fall at 31.4 percent. The LDP, which was at the helm of government for nearly four decades, fell from power last July but returned to the ruling camp in June this year.

The Buddhist-backed Komeito collected 3.0 billion yen, down 22.0 percent, and the Democratic Socialist Party (DSP) garnered 2.9 billion yen, down 10.3 percent. Both Komeito and the DSP were in the ruling camp while the LDP was out of power. But they fell to the opposition side after the inauguration of the Murayama cabinet.

Murayama's Social Democratic Party collected 6.7 billion yen, down 4.2.

Meanwhile, the JCP's provincial chapters marked an increase of 4.3 percent by collecting 31.1 billion yen.

Shinseito [Japan Renewal Party] and new party Sakigake [Harbinger], which were established in 1993, and the Japan New Party (JNP), which was founded in 1992 and collected only a small amount that year, are not included in the calculations.

In 1993, the JNP's provincial chapters collected 250 million yen, Shinseito 156 million yen and Sakigake 82 million yen.

The survey also showed Yukio Hatoyama, secretary general of New Party Sakigake, collected 293 million yen on an individual basis, the most among leaders and senior members of the major parties.

Most of those in the top-eight list after Hatoyama are LDP kingpins.

Former Foreign Minister Michio Watanabe ranked second, followed by Former Prime Minister Kiichi Miyazawa, LDP Vice President Keizo Obuchi, DSP Chairman Takashi Yonezawa, former Prime Minister Yasuhiro Nakasone, former Foreign Minister Koji Kakizawa and former Prime Minister Toshiki Kaifu.

Currently, political parties collect campaign funds mainly from companies and individuals, membership fees, sales of publications and party tickets.

Beginning next year, parties will be required to meet certain conditions to receive a total of 30.9 billion yen annually from taxpayers after political reform bills are passed through the Diet.

Ruling, Opposition Parties Debate Diet Direction

OW2111064494 Tokyo NHK General Television Network in Japanese 0037 GMT 20 Nov 94

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0037 GMT on 20 November carries, during its regular "Sunday Discussion" program, a 39-minute live debate between ruling and opposition parties on the Diet's direction. The debate conducted in the NHK Tokyo studio, is moderated by NHK commentator Takashi Yamamoto and participated in by Yoshinobu Shimamura, chairman of the Liberal Democratic Party's [LDP] Diet Affairs Committee; Churyo Morii, Diet Affairs Committee chairman of the Social Democratic Party of Japan [SDPJ]; Takenori Kanzaki, acting Diet Affairs Committee chairman of the parliamentary group Kaikaku [Reform]; and Iwao Teramae, Diet Affairs Committee chairman of the Japan Communist Party [JCP].

Yamamoto begins the debate by asking Shimamura how he assesses the current extraordinary Diet session. Shimamura replies: "I think it is progressing smoothly so far." Kanzaki disagrees, saying the ruling parties railroaded several bills and that the ruling parties are not actively promoting political reform. They blame each other for delays and failure to reach agreement on several issues, including tax system reform. Teramae says: "Ever since the SDPJ joined hands with the LDP, the Diet's direction has become really complicated."

Asked if the opposition side will submit a revised bill for tax system reform at the upper house, Kanzaki answers: "I was told that the upper house is studying whether or not they will submit a revised bill to the Diet. Therefore, I think the final decision has not been made yet." Shimamura says the tax system reform bills will be approved during the current Diet session.

On the possibility of extending the Diet session for deliberation on ratification of the World Trade Organization [WTO], Shimamura says: "This is an issue that has to be discussed thoroughly between the three [ruling] parties. It is just impossible to approve the WTO bill before the end of the current Diet session, because it will be handed over to the upper house after we approve it on 1 December." Kanzaki also agreed with Shimamura that the WTO bill will not be approved during the current Diet session unless the session is extended. Teramae says he is against the idea of extending the Diet session.

Experts Supporting Consumption Tax Hike

OW2111100794 Tokyo KYODO in English 0905 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Five out of six experts appearing at a Diet hearing Monday [21 November] supported a raise in the consumption tax, including the proposed creation of a local version of the tax.

Only one expert expressed opposition to a hike in the tax at the hearing, held jointly by the House of Councillors finance and local administration committees.

A raise in the tax, including the creation of a local version, was proposed in a package of tax reform bills which is now before the Diet.

There were mixed views among the experts on other proposals in the package such as the scale of income tax cuts and the margin of the consumption tax hike.

Naohiko Jinno, a professor at the University of Tokyo, supported a proposal to raise the consumption tax rate to 5 percent from the current 3 percent, noting that it is in line with the basic principle of fair taxation.

But Hiromitsu Ishi, a Hitotsubashi University professor, said an easing of progressive tax rates as proposed in the tax reform package is not enough and that the government should have proposed a consumption tax hike to 6 or 7 percent, combined with larger-scale tax cuts.

Shuji Sekimoto, a tax accountant and a leader of a campaign against the consumption tax, expressed opposition to a raise in the tax, saying 60 percent of respondents to public opinion polls were against the idea.

The government could find financial resources for tax cuts by correcting unfair taxation, he said.

The House of Representatives has already approved the tax reform package of four bills that will trim 5.5 trillion yen in income and residential taxes for at least one year.

The bills are to become law after passing through the upper house.

Tax Reforms To Lower Income Tax Ratio in OECD

OW1811052194 Tokyo KYODO in English 0503 GMT 18 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 18 KYODO—The planned tax system reforms will bring down the ratio of income and residential taxes to the total tax revenues in Japan, which was the highest among the OECD member nations in 1992, the Finance Ministry said Friday [18 November].

The ratio stood at 63.1 percent, but it will fall to 57.4 percent in 1997, after reforms are instituted, the ministry said. Among the 24 member countries of the Organization for Economic Cooperation and Development

(OECD), excluding Mexico, the corresponding ratio stood at 63.0 percent in Switzerland, 61.4 percent in Denmark and 59.3 percent in the United States in 1992, according to the latest statistics available.

The expected ratio of 57.4 percent will bring Japan to rank fourth among the OECD nations, the ministry said. On the other hand, the ratio of consumption tax to total tax revenues will increase to 26.6 percent from the current 20.9 percent, it said.

Japan's ruling coalition plans to reform the taxation system by cutting national income tax and taxes levied on residents by local authorities as early as fiscal 1995, while raising the currently 3 percent consumption tax to 5 percent from fiscal 1997.

Banks: Raising Short-Term Prime Rate Discouraged

OW2111101494 Tokyo KYODO in English 0648 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Sluggish corporate demand for capital is discouraging financial institutions from raising the short-term prime rate, banking industry sources said Monday [21 November].

The sources said the business community is less confident of the economic outlook than the Bank of Japan, which has signaled its position of allowing a hike in the short-term prime rate charged on loans of less than one year to most creditworthy customers.

In coordination with the central bank stance, short-term interest rates on the money market have continued to rise, they said.

Businesses, however, remain cautious about the domestic economy because of such factors as the strong yen, the stock market slump and the widening practice of price cutting, the sources said.

An official at a major commercial bank said corporate demand for capital in October was much slower than expected.

The sources said financial institutions want to boost the short- term prime rate, which now stands at 3.0 percent per annum, due to rising fund-raising costs.

The lenders, however, are worried that an interest rate hike will further weaken corporate demand for capital and drive borrowers to shift to spread loans whose interest rates are set at a certain percentage point above market rate, they said.

The sources said transactions of three-month negotiable certificates of deposit (CDs), which serve as a benchmark for the short-term prime rate, have come to a standstill for more than three weeks.

Commercial banks have said they are now waiting for the release of major economic data, including the central bank's "tankan" quarterly economic survey in December and the corporate earnings outlook for the January-March period.

MOF Allowing Dual Investment Advice, Management

952A0128A Tokyo MAINICHI SHIMBUN in Japanese 9 Nov 94 p 9

[FBIS Translated Text] The Ministry of Finance [MOF] on 8 November issued a decision to permit financial organizations to provide both investment advisory and investment trust services, beginning in 1995, as one phase of the deregulation of securities markets. This is a measure taken in response to a report compiled by the "Investment Trust Research Council," a private research body of the Securities Bureau director general, in June, and notification of the decision will be made to the United States in connection with the financial services sector negotiations being held in the Japan-U.S. economic framework talks.

Investment trusts manage and distribute profits by investing relatively small amounts of funds deposited by individual investors in securities such as stocks and bonds. On the other hand, investment advisers primarily perform investment trust services in which they manage securities for corporations and large investors. As of the end of March 1994, investment trust balances stood at about 50 trillion yen, while investment adviser-managed fund balances stood at about 16 trillion yen.

Domestically, provision of both investment trust and investment adviser services by a single firm was prohibited, because there was a difference between individual asset management and corporate investment funds, and permission for a single firm to provide both services could result in detracting from the interests of either type of client.

However, now that in reality mutual inroads have been made into each other's areas wherein both types of services are involved with asset management based on investments in securities, and investment trusts are being offered to large investors, significance in keeping the two types of services separated has diminished. Further the history of investment advisory services in Europe and the United States is old and there are situations wherein asset management companies are involved in investment management services such as annuity fund management and in investment trust services under management contracts with investment firms.

The MOF has used such information in arriving at its decision to permit companies to provide both types of services. The MOF feels that the decision will result in an expansion of services offered by asset management companies, leading to management efficiencies and a situation responsive to European and U.S. demands for deregulation.

Takemura Initiates 5-Year Economic Plan Revision

OW1911021094 Tokyo SANKEI SHIMBUN in Japanese 15 Nov 94 Evening Edition p 1

[FBIS Translated Text] In view of the drastic changes in the economic situation after the collapse of the so-called bubble economy, the government decided on 15 November to engage in a thorough review of the Five-Year Plan for a Quality-of-Life Major Power (FY 92 to 96) compiled in June 1992, and to formulate a new economic program.

At an unofficial ministerial meeting after the cabinet session on the morning of 15 November, Finance Minister Masayoshi Takemura suggested the formulation of the new economic plan. Masahiko Komura, director general of the Economic Planning Agency, also commented that this is "worth considering," indicating a positive attitude toward the suggestion. A formal decision will be made after a subcomittee of the Economic Advisory Council (advisory body to the prime minister, chaired by Gaishi Hiraiwa), which formulated the previous five-year economic plan, comes up with a follow up report to the plan by the end of 1994.

The Five-Year Plan for a Quality-of-Life Major Power was compiled by the Miyazawa administration. The plan sets targets such as: A 3.5 percent real increase in gross domestic product (GDP) during the five-year period; reducing yearly working hours to 1,800; and holding housing costs down to around five times the average annual income.

In this regard, Takemura said during the unofficial cabinet meeting: "In view of the changed circumstances at present, as evidenced by tax reform, pension reform, the 630 trillion yen public investment program, and agricultural policy reform (which were decided upon after the previous five-year plan was adopted), the Murayama administration needs to have its own five-year economic plan."

Regarding the review of the economic plan, Komura said on 15 November: "This is not unrelated (to the ascension to power of the coalition government of the Liberal Democratic Party, the Socialist Democratic Party of Japan, and Sakigake [Harbinger])." It is believed the new plan will strive to present ideas unique to the Murayama administration.

At a news conference after the cabinet meeting, Takemura said: "An agreement was not reached at the unofficial cabinet meeting, but I have informed Prime Minister Murayama of my thinking." The government intends to confirm the review of the five-year plan as soon as Murayama returns home from the Asia-Pacific Economic Cooperation (APEC) unofficial summit.

As to the concrete steps to be taken, after four committees under the Economic Advisory Council, including the Housing and Social Infrastructure Committee and the Committee on Fewer Children and the Aging Society, compile their reports before the end of the year, a final decision will be made on whether the five-year plan needs to be revised, and if so, the schedule for drawing up a new plan will be determined.

The new economic plan is expected to revise the projected economic growth rate, as well as set down measures to deal with the aging society, industrial hollowing out, and the correction of the domestic-overseas price gap.

Late last year, during the Hosokawa administration, the revision of the five-year plan was very much talked about after the Economic Reform Committee issued its report (the Hiraiwa Report). However, after the Hosokawa administration stepped down from power, this issue was shelved.

The follow up report issued by the Economic Advisory Council in July indicated serious concern about the prolonged recession but failed to touch on the economic growth rate or to revise the growth estimate.

Finance Minister Sees Gradual Recovery

OW2111045494 Tokyo KYODO in English 0406 GMT 21 Nov 94

[FBIS Transcribed Text] Osaka, Nov. 21 KYODO—Japan's economy is gradually heading for recovery, with optimism spreading on the signs of rallying private consumption among other things, Finance Minister Masayoshi Takemura said Monday [21 November].

The comment was contained in a speech read by Kyogon Hagiyama, parliamentary vice finance minister, on behalf of Takemura to a gathering after the 123rd annual money inspection in the mint.

To put the economy on a full-scale recovery path, the government will continue making efforts to manage it appropriately and flexibly by carefully watching economic developments at home and abroad, Takemura said in the speech.

Turning to foreign exchange rates, the finance minister said there have been unstable movements recently.

The government will continue trying to stabilize currency rates with appropriate and timely actions while closely monitoring market developments, he said.

Vice Finance Minister Comments

OW2111071094 Tokyo KYODO in English 0609 GMT 21 Nov 94

[FBIS Transcribed Text] Osaka, Nov. 21 KYODO—Japan's economy has pulled out of the worst time, Vice Finance Minister Jiro Saito said Monday [21 November], referring to the Economic Planning Agency's recent judgment that the economy bottomed out last October.

Saito said at a press conference, "It is our consensus that the economy has passed the worst period."

"We cannot be optimistic without reserve, though," Saito added, noting the effects of the yen's appreciation and still-sluggish capital spending, despite recovering private consumption.

Saito visited Osaka to take part in the 123rd annual money inspection at the mint on behalf of Finance Minister Masayoshi Takemura, who was attending the Diet session.

Think Tank Sees Full-Fledged Recovery in FY96

OW2111143394 Tokyo KYODO in English 1039 GMT 21 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO—Japan is unlikely to post a full-fledged recovery until fiscal 1996 with its economy standing at a crucial point of restructuring amid a pattern of collapsing prices, the Japan Research Institute said Monday [21 November].

The economy, due to restructuring pressure, is likely to be "heavy-footed" in its recovery until fiscal 1995, despite continued support from consumption, the private research arm of Sumitomo Bank said in a medium-term report forecasting the fiscal 1994-1997 economy.

The institute projected an inflation-adjusted or real growth of 1.9 percent in terms of gross domestic product (GDP) for fiscal 1995, after posting a 1.1 percent growth in the current fiscal year ending March 31.

Underscoring the changes of economic restructuring amid collapsing prices, the economy is expected to see its nominal growth turn lower than real growth to 1.7 percent in fiscal 1995 and unchanged in fiscal 1994, the institute said.

In fiscal 1996, however, the economy will likely enter a "self- sustained expansion phase," with a real growth of 2.5 percent and a nominal rise of 2.9 percent, the institute said.

By then it expects that downward pressure from restructuring will recede, deregulation and narrower price gaps at home and abroad will boost real national income and new businesses, and corporate earnings will recover.

Meanwhile, the institute said the economy is expected to slow "temporarily" in fiscal 1997 to a 1.9 percent real growth, dragged down by the government's planned tax reform involving a consumption tax hike and an end to income tax cuts. The tax reform is to push down real GDP by 0.9 percent, it estimates.

Ttutomu Nishimura, chief economist of the institute, said that streamlining efforts by companies to cope with the "price revolution" are bringing about new forms of economic activity in Japan.

Manufacturers are showing an "unprecedented" pattern in their recovery of profits, he noted, citing improved profits in the first half ended Sept. 30 for the current fiscal year despite lower sales.

For Japan to realize an "advanced" economy amid a "still mid-way" restructuring, the institute proposed a "three-point package"—measures to avoid the hollowing out of industry and labor, tax reform to revitalize economic activity, and infrastructure improvements to facilitate new businesses.

As for hollowing-out countermeasures, the institute called for reform of the wage system, deregulation to rectify price gaps at home and abroad, and streamlining in the public sector, such as a lowering of public utility fees by some 30 percent.

Manufacturers's Cost-Cutting Efforts Cited

OW1911104594 Tokyo KYODO in English 0810 GMT 19 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO—Cost-cutting measures reduced marketing costs and boosted performances of Japanese manufacturers, according to their midterm business results compiled by KYODO News Service. The compilation of such results released by 666 companies that closed their midterm accounts Sept. 30 showed that the sales costs, including those for raw materials and personnel, declined 2.8 percent, improving their earnings.

The manufacturers have taken positive steps in trimming costs, restructuring and carrying out procurement overseas to overcome the yen's appreciation. The combined sales of those manufacturers for the six months were roughly unchanged from a year earlier, falling 1.0 percent.

In contrast, the cost of sales, including those of raw materials and personnel, declined a larger 2.8 percent or 1,167.9 billion yen.

As a result, the ratio of costs to sales for the manufacturing sector dropped to 79.39 percent from 80.86 percent, the financial statements showed. The costs-to-sales ratio improved in 14 of 16 industrial sectors, except steel and textile. The electrical machinery industry posted a notable improvement of 3.72 percentage points in the ratio, from 81.21 percent to 77.49 percent, giving a boost to its profit growth, the survey showed.

Toshiba Corp., a major electronics maker, reduced the cost of sales by 42.8 billion yen, compared with its sales decline of 14.3 billion yen, thus improving its costs-to-sales ratio by 2.2 point.

"We will increase procurement overseas if the quality is good," said Atsumi Uchiyama, vice president of the company.

The Wako Research Institute of Economics said cost-cutting was the primary source of business improvements at the corporations, and continuous effort will be important in an era of stable economic growth.

North Korea

U.S. Experts' Delegation's Departure Reported

SK1911230394 Pyongyang KCNA in English 2217 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—The U.S. experts' delegation left here today after attending the DPRK-U.S. expert-level meeting on the safe storage of spent fuel.

'Information' on Experts Talks

SK1911015194 Pyongyang Korean Central Broadcasting Network in Korean 0108 GMT 19 Nov 94

["Information" on DPRK-U.S. experts' negotiations issued in Pyongyang on 19 November]

[FBIS Translated Text] Information [podomun] on DPRK-U.S. experts' negotiations:

According to the DPRK-U.S. agreed framework dated 21 October 1994, experts of the DPRK and the United States of America [mi hapchungguk] held useful [yuik] and constructive [konsolchok] discussions in Pyongyang from 14 to 18 November 1994 on the safe storage and final disposal of spent fuel removed from the 5-megawatt experimental atomic power plant.

An exchange on a broad range of information, such as an inspection [chamgwan] visit of the 5-megawatt experimental atomic power plant at the Yongbyon Atomic Energy Research Center and of facilities for preserving the spent fuel, was made during the negotiations. A plan for water treatment [mulchori] of the spent fuel storage facilities was also discussed.

The experts of the two sides have agreed to hold negotiations again on pending technological and practical issues in December 1994.

[Dated] 19 November 1994, Pyongyang.

Press Statement on Meeting

SK1911040994 Pyongyang KCNA in English 0404 GMT 19 Nov 94

["Press Statement Regarding DPRK-U.S. Expert Level Meeting"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—A press statement regarding the DPRK-U.S. expert-level meeting was published in Pyongyang on November 19.

The press statement reads:

Pursuant to the agreed framework between the DPRK and U.S. of October 21, 1994, the DPRK and the U.S. experts had useful and constructive discussions in Pyongyang from November 14 through 18, 1994 on the safe storage and ultimate disposition of the spent fuel discharged from the 5 megawatt experimental reactor power plant.

During the discussions, there were extensive exchanges of information, including a visit to the 5 megawatt experimental reactor power plant and the spent fuel storage basin at the Yongbyon Center for Atomic Energy Research.

A plan for the treatment of the water in the spent fuel storage basin was discussed.

The experts of both sides agreed to meet again to discuss outstanding technical and operational matters in December 1994.

Malaysian Official Supports Accord Implementation

SK1911045494 Pyongyang KCNA in English 0436 GMT 19 Nov 94

["U.S. President Urged To Implement DPRK-USA Agreement"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA)—Fan Yew Teng, coordinator of the Action Front of Malaysia, sent a letter to the U.S. President on November 7, calling for the implementation of the framework agreement between the DPRK and the United States.

In the letter he hoped the agreement would help lay a foundation for the normalisation of political, economic and other relations between the DPRK and the United States and expressed the belief that this normalization would lead Korea to peaceful and genuine reunification.

He expressed the hope that the agreement will actively contribute to building a world free from nuclear weapons, and urged president Clinton to implement the agreement in a responsible manner as he promised in his letter of assurances to his excellency Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea.

Japanese-U.S. Forces Maneuvers Denounced

SK1911043294 Pyongyang KCNA in English 0424 GMT 19 Nov 94

["Samurai Wet Sword of Aggression"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—NODONG SINMUN today denounces the military manoeuvres staged by the "Self- defence Forces" [SDF] of Japan with the U.S. Forces on the sea off Hokkaido and in the Pacific for four days from November 14 under the pretext of increasing the capacity of joint reaction to the "potential crisis" in the Asia-pacific region.

The analyst says:

The joint military exercise unprecedented in scale which Japan staged with the United States was a deliberate action to increase the tension and the danger of war in Northeast Asia.

It must not go unnoticed that the joint military rehearsal was directed against the DPRK. This indicates that the bellicose quarters of Japan and the United States have not abandoned their wild design to stifle our socialist system with strength.

The Japanese military threw into the military exercise the "Gongo", an uptodate Eagis equipped with a high-performance radar, to link the computers of the escort ship with the radar network of the Airforce for the first time for a full-dressed "marine anti-air operation" in the sea far away from Japan proper.

The exercise intended to seize the "control of the air" in a broad area of the Asia-pacific region and enhance the capacity of joint operation of the three services of the "SDF", fully shows how desperately the Japanese reactionaries are trying to jump into armed intervention and war of aggression against other countries.

Missiles Transferred to U.S. Forces in ROK

SK1911042694 Pyongyang KCNA in English 0420 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—The United States transferred the control of the Patriot missiles it had shipped into South Korea to the U.S. Forces in South Korea, the Seoul-based radio no. 1 reported November 17.

The missiles had been under the control of a U.S. Army unit based in the mainland since they were deployed in a U.S. military base in the central sector of the front in April. Recently, they were completely transferred to local U.S. units for a permanent use.

The South Korean students and people of all walks of life had vigorously fought against the deployment of Patriot missiles in South Korea ever since their introduction was planned.

The U.S. imperialists and the South Korean puppet clique, however, shipped Patriot missiles into South Korea and transferred them to the local units. This shows again their frenzy in arms buildup for a new war on the Korean peninsula.

Deployment of Patriots Denounced

SK1911001794 Pyongyang Korean Central Broadcasting Network in Korean 2114 GMT 18 Nov 94

[FBIS Translated Text] According to a 17 November report from Seoul KBS-1 radio, the United States has permanently deployed the Patriot missiles it brought into South Korea by its occupation forces in South Korea.

The United States deployed the missiles in the U.S. bases (?at the central front) in April under the operation of the (?aviation sector) of the U.S. Army in the U.S. mainland, and has recently handed them over completely and permanently to the U.S. Forces in South Korea.

The South Korean youths, students, and people from various strata have, from the beginning, stoutly waged a struggle opposing the introduction of Patriot missiles into South Korea. Nonetheless, the U.S. imperialists and South Korean puppets brought the Patriot missiles into South Korea after all and even deployed them [word indistinct], showing again the nature of those who are frantically engaged in the arms reinforcement maneuver [muryok chunggang chaektonge hyorani toego innun chodurui chongche] aimed at provoking a new war on the Korean peninsula.

ROK Interference in U.S. Firms' Visits Alleged

SK2011084294 Pyongyang KCNA in English 0825 GMT 20 Nov 94

["On Promotion of Planned Visit of U.S. Businessmen to DPRK"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—The spokesman for the "unification board" of South Korea contended that a "sufficient prior consultation" with South Korea is necessary for the promotion of the planned trip of American businessmen to the North of Korea.

Branding this as an impudent and reckless folly, newspapers here today warn that the Kim Yong-sam group should behave with discretion, not imprudently poking its nose into any issue.

The promotion of the planned trip of U.S. businessmen to the North of Korea is a matter which should be dealt with by the DPRK and the United States, a news analyst of NODONG SINMUN notes, and says:

The Kim Yong-sam group kicked up a dust about "prior consultation", holding its head too high, as if it had the final say as regards American businessmen's trip to the North. But they have no justification or qualification for it.

The South Korean puppets are entreating the outside forces to take their position into consideration, but in vain.

In fact, the present South Korean "Government", as the South Korean people say, is nothing but a colonial puppet which has no philosophy, independence and consistency, but begs outside forces for help.

It is the height of sarcasm that the puppet, which has no alternative but to attend on the outside forces, whether willing or not, takes it into its head to meddle in its master's affairs.

The Kim Yong-sam group seems to behave like this in an attempt to put brakes on the implementation of the

DPRK-U.S. framework agreement, vexed at its progress. But it would be well-advised to refrain from such rash and stupid act as trying to stop a running car with the naked body.

MINJU CHOSON says in a commentary that the puppets' cry for "consultation" was motivated by an insidious intention to lay an obstacle at any cost in the way of the implementation of the DPRK-U.S. framework agreement.

South Warned Against Interfering in U.S. Ties

SK2011054994 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 19 Nov 94

[Commentary by Kim Ho-sam: "They Should Not Act Rashly"]

[FBIS Translated Text] A proverb says: One with a runny nose should not try to wipe somebody else's nose. This metaphor is to be used when those who are not capable of coping with their own business unnecessarily intervene in somebody else's business, and is a proper expression for what the South Korean puppets are doing these days.

South Korea's Kim Yong-sam ring made frequent visits to Washington and Geneva to beg the United States to not make more concession to the North, availing itself of outside forces' nuclear commotion, but has been dealt a deadly blow by the announcement of the DPRK-U.S. agreed framework and lost its senses. This is well known to everyone.

Also, it is not a secret that the Kim Yong-sam ring is pawing the air to get out of the isolated and helpless situation after being dealt another deadly blow while attempting to allure someone with so-called measures for South-North economic cooperation toward the world it mapped out, talking about an age of reconciliation and cooperation, the common good, and the like, unbefitting their bloody traces [piui haengjok]. Even after losing its face repeatedly, the Kim Yong-sam ring is still absent-minded, without an idea where to sit or stand.

According to reports, recently, a person identified as spokesman for the puppet National Unification Board [NUB] abruptly said that U.S. businessmen should have enough consultations with the South Korean puppet government prior to their visit to North Korea. South Korea's KBS-1 radio also reported this on 17 November. Hearing the report from South Korea, we presume that the puppets are still in a dying condition [pinsa sangtae].

As has been reported, the political and social circles of the world, as well as the economic circles and businessmen of the world, have shown their great interest in our country since the announcement of the 21 October DPRK-U.S. agreed framework adopted in Geneva featuring the complete solution of the nuclear issue on the Korean peninsula and the complete normalization of relations between our Republic and the United States of America [mi hapchungguk].

Moves toward the North by Western businessmen in South Korea have become active, with this situation as a background, and on this line, the U.S. businessmen are carefully watching the situation. Under this condition, the South Korean puppets are troubled in trying to block the U.S. businessmen's moves toward the North, by any means, and to adjust [chojong] this favorably to themselves.

The South Korean puppet NUB spokesman's insistence that U.S. businessmen should have enough prior consultations with the puppet authorities on their visit to North Korea is an impolite demand against common sense, as well as a reckless act without any regard of international law.

Why on earth should foreigners or foreign companies, not South Korean nationals, abide by domestic law and be placed under its control? Whether the U.S. businessmen will visit our Republic or not is strictly an issue of domestic affairs to be decided and handled completely by themselves and the U.S. Government authorities. And whether to accept the U.S. businessmen who want to visit our Republic is totally an issue of domestic affairs to be decided and handled by our Republic, an independent sovereign country.

However, the South Korean puppets intruded into this matter and are insisting that U.S. businessmen should have enough prior consultations with South Korean authorities. This act can be done only by idiots who have no idea where to sit or stand.

The Kim Yong-sam ring tried to interrupt the third round of DPRK- U.S. talks although there was no reason for its intervention in the talks, and only disgraced itself, being faced with strong denunciation from home and abroad. Nevertheless, the Kim Yong-sam ring has not yet collected its senses and is still trying to interfere in everything.

Historic facts show that preceding puppets, who unconditionally curried favor with and gave in outside forces without any political philosophy or constant diplomatic policy, intervened in everything and acted rashly, without exception.

It is no accident that, regarding the current situation of South Korea, a South Korean paper noted that a drift of all state affairs is long lasting and that the president lacks philosophy and doctrine in operating state affairs.

The DPRK-U.S. agreed framework is aimed at dissolving the long- standing distrust between the two countries, as well as completely normalizing political and economic relations between the two, based on mutual trust.

South Korea's Kim Yong-sam ring should no longer do such a foolish act as recklessly edging its way in DPRK-U.S. relations [chomi saiui kwangye-e hamburo korul turiminun kuron orisogun haengdongul tonun haji maraya halgosimnida]. The South Korean puppets indulged in flunky and nation-selling acts, without sovereignty, and now have been frustrated in their attempt. They should seek a proper lesson from this and stop disgracing themselves.

South's Ruling Party Criticized for Practices

SK2011082794 Pyongyang KCNA in English 0812 GMT 20 Nov 94

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—The opposition Democratic Party of South Korea on November 17 criticised the "Democratic Liberal Party" (DLP) for deciding to prolong assistance to "government"-controlled organisations with "national fund", a radio report from Seoul said.

The Democratic Party branded this as something to "virtually revise the law on political reform" and vowed never to tolerate it.

The Democratic Party sharply criticised this move of the "DLP" as preparations to hold the elections of chiefs of local autonomous bodies next year and the general elections in 1996 with the backing of money and "government" power, having been forsaken by the public with the breakdown of the Songsu Grand Bridge and other accidents.

Papers on Anniversary of Formation of Pomminnyon

SK2011083194 Pyongyang KCNA in English 0819 GMT 20 Nov 94

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—Papers here today commemorate the fourth anniversary of the formation of the National Alliance for the Country's Reunification (Pomminnyon), a patriotic organisation of reunification movement of the compatriots in the North, the South and overseas.

The formation of Pomminnyon in November 1990 as a common organisation of the nation for reunification was a precious fruit of the arduous struggle of the broad pro-reunification patriotic forces at home and abroad and an event of momentous significance in strengthening the internal force of national reunification and developing the reunification movement on an expanded scale.

The formation of Pomminnyon provided a firm guarantee for waging the reunification movement nationwide under the banner of great unity of the nation, daringly shattering the obstructions of the anti-reunification forces within and without, declares NODONG SINMUN in a signed article today.

Noting that Pomminnyon has since its formation powerfully mobilised the whole nation in the noble patriotic struggle to achieve reunification in the 90s, the article continues:

Pomminnyon should discharge its responsibility and duty to the nation in ending the history of national split and achieving national reunification without fail by achieving the great unity of the nation. To this end, it should, first of all, wage a powerful struggle against flunkeyism and treachery under the banner of national independence.

"Let us achieve great unity of the whole nation" is the slogan which Pomminnyon should uphold now. The Pomminnyon organisations at home and abroad should lead the compatriots of all strata to join the grand national united front for reunification, transcending all differences, whether they be in the North or in the South or overseas, whether they be communists or nationalists, the haves or have-nots, atheists or theists.

The reunification of the country cannot be achieved without checking and frustrating the manoeuvres of the anti-reunification divisive forces within and without standing in the way of national reconciliation, unity and reunification.

If Pomminnyon is to discharge the responsibility and duty it has assumed before the fellow countrymen in achieving reunification, its South side headquarters must be formed at an early date.

The Pomminnyon organisations in the North and overseas should powerfully support the South side's activists of Pomminnyon and pro- reunification patriotic figures who are fighting for the formation of the South side headquarters, not yielding to the harsh repression and persecution by the fascist clique and continue to wage a relentless struggle for the release of the South side's activists under arrest.

Workers Urged To Lead Struggle for Reunification

SK2111103594 Pyongyang KCNA in English 1026 GMT 21 Nov 94

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—The Preparatory Committee for the formation of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) appealed to the 10 million workers of South Korea to take the lead in the struggle for achieving reunification in the 90s.

In the appeal to the South Korean workers who are waging a vigorous struggle for the building of the General Federation of Democratic Trade Unions, the committee said the bloody struggle of the working brothers for their legitimate right to existence and right of independent solidarity show that the General Federation of Democratic Trade Unions, an independent united body of workers, can be built only by struggle.

Calling upon the working brothers to build the federation without fail through a closely united struggle, the appeal declared that Pomminnyon will be their comrade in this struggle.

Noting that the first sufferers from division is the working brothers, appeal said the group which is parasitic on division ignores the legitimate rights of the workers and imposes torturous burdens on them while spending more than 3 billion dollars in "defense appropriations" annually.

All this is attributable to the division of the country resulting from U.S. occupation, the appeal said, adding: "We should drive the outside forces and the comprador forces out of this land and build a society of independence, democracy and reunification."

"The workers will be the master of the reunified country achieved by their leading role", the appeal declared, and said:

"Let us build the General Federation of Democratic Trade Unions, get the 'national Security Law' designed to suppress the labor movement scrapped, block "endorsement of the Uruguay Round accord at the National Assembly" through an arduous struggle and reunify the country with the leading role of workers". (endall) 211026 baker/KCNA2109/ak 21/1035

Overseas Groups Demand Repatriation of 'POW's'

SK2111102894 Pyongyang KCNA in English 1021 GMT 21 Nov 94

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—Foreign civic leaders demanded the repatriation of the unconverted long-term prisoners, Kim In-so, Ham Se-hwan and Kim Yong-tae, to the Democratic People's Republic of Korea.

Peter Persaud, leader of the Amerindian Action Movement of Guyana, in a letter to the chairman of the International Committee of the Red Cross on November 11 said that the act of the South Korean authorities in keeping old Kim In-so, Ham Se-hwan and Kim Yong-tae, prisoners of war, in jail for more than 30 years for the mere reason that they refused ideological conversion cannot be justified under any pretext.

"We firmly believe that they must be repatriated to the DPRK at an early date in view of the humanitarian principle or the international accord on the POWs," the letter said.

Dickson William Chokoma Matutu, vice-minister of education and chairman of the Zambia-Korea Friendship Association, in a letter to the International Committee of the Red Cross and the Amnesty International on November 9 said that the refusal of the South Korean authorities to respond to the DPRK's demand for the repatriation of the unconverted long-term prisoners is a violation of the international law and the UN Charter on Human Rights.

Jaime Ballesteros, chairman of the Spanish Committee of Solidarity of the Peoples of Africa, Asia and Latin America, in a protest letter to the South Korean puppet ambassador to his country on November 11 demanded an immediate repatriation of Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners.

Amaral Matos, first executive secretary of the Mozambican Committee for Friendship With the People of the DPRK, in a statement on November 8 warned the traitor Kim Yong-sam that if he barred them from going to Pyongyang, he would face a stern judgment and an ignominious end.

Nicaraguan Radio, Indian Group

SK1911104894 Pyongyang KCNA in English 1035 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—A Nicaraguan radio and the chairman of the Legislation Committee of the Indian Parliament urged the repatriation of unconverted long- term prisoners in South Korea.

Radio Cepad of Nicaragua November 9 said old Kim In-so, Ham Se-hwan and Kim Yong-tae, should have been returned to the North as prisoners of war under the Armistice Agreement, but were kept in prison for more than 30 years for the mere reason that they refused "ideological conversion."

To realise at an early date their desire to return to the North is only too natural in view of humanitarianism and compatriotism and the International Law on Prisoners of War, said the radio, stressing that the old men must be returned as soon as possible.

Amal Datha, chairman of the Legislation Committee of the Indian Parliament, in an interview with the KCNA correspondent in New Delhi November 8 branded the South Korean authorities' ignorance of the world public voices demanding the repatriation of the unconverted long-term prisoners to the North as a wanton violation of the International Law on Prisoners of War and humanitarianism.

He urged the South Korean authorities to return Kim In-so, Ham Se-hwan and Kim Yong-tae without delay, as demanded by the Korean people and the world public, so that they can be reunited with their families and relations in the North.

South Urged To Return 'Long-Term' Prisoners

SK1911110394 Pyongyang KCNA in English 1026 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—These days the South Korean rulers let no chance pass by without calling for "cooperation" and "exchange" between the North and the South and raising the "problem of separated families."

If the South Korean puppets are really prepared to solve the "problem of separated families," they must first of all take practical measures to repatriate the unconverted long-term prisoners, Kim In-so, Ham Se-hwan and Kim Yong-tae, to their families in the North at an early date.

Far from taking any measure for their repatriation, the South Korean rulers refuse to return them to the North under unreasonable pretexts.

The three old men were arrested by a warring side while in action in the People's Army and guerrilla units during the Korean war.

Therefore, they should have been repatriated to the North as undeniable prisoners of war in view of international law and humanitarianism.

The puppets' talk about their "acquisition of nationality" is a preposterous sophism.

If they wanted to stay in South Korea, why did they earnestly ask the South Korean Red Cross and international human rights organisations to help them return to their hometowns in the Northern half of Korea?

Judging from this, the pretexts put forward by the South Korean puppets are their inventions for refusing to return the unconverted long-term prisoners to the North.

It is ridiculous of the Kim Yong-sam group to talk about "problem of separated families" and "human rights" while blocking the repatriation of the unconverted long-term prisoners.

The South Korean puppets must not keep the unconverted long-term prisoners under detention on unreasonable pretexts but return them to the North without delay as demanded by the home and foreign public.

Release of 'Illegally Arrested Figures' Demanded

SK2011085494 Pyongyang KCNA in English 0834 GMT 20 Nov 94

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—The Kim Yong-sam group must give up anti-North intrigues and confrontation, unconditionally stop the trial of those involved in the "vanguard for national salvation" and promptly release An Chae- ku and other illegally arrested figures, urges the spokesman of the Committee for the Peaceful Reunification of the Fatherland in a statement today.

The statement says:

The South Korean puppet clique arrested An Chae-ku who formed the "vanguard for national salvation" in South Korea in June and conducted patriotic activities for independence, democracy and reunification and put him to a murderous trial, at the end of which they demanded a death sentence for him on "spy" charges, groundlessly alleging that he formed the organisation on the "instructions" of the North and carried on "anti-state activities."

The puppets raised a clamor of trial and punishment against a guiltless person by linking him with the North without any material evidence. This is one more drama for dampening the atmosphere of detente and reconciliation which has begun to be felt on the Korean peninsula and fostering North-South confrontation.

As An Chae-ku made clear in his statement in the "court," the "vanguard for national salvation" is a spontaneous underground organisation which was formed to change the South Korean society which is a colony of outside forces and where democracy has been stamped out and achieve independence, democracy and reunification. It has nothing to do with the North.

As the whole course of the preliminary examination and the trial showed, those involved in the case formed the organisation by themselves and launched activities for independence, democracy and reunification, finding it impossible to live any longer under the colonial yoke and fascist rule. This was only too natural.

Nevertheless, the South Korean puppets have condemned them to death, linking them to the North in a far-fetched manner. This is an unpardonable crime.

They faked charges by cooking up the case and evidences, though a legal charge was impossible, staged a trail with a strong arm, though there was no ground for it, and illegally demanded a death sentence, though a court decision was impossible. This is an illegal, brigandish act the equal of which cannot be found in the world history of trials. This is a fascist outrage that could be committed only by the Kim Yong-sam group, the gang of atrocious anti-communist maniacs and depraved villains.

The South Korean rulers invented the case and are resorting to anti-North intrigues in an effort to divert the attention of the people elsewhere and thus save their "government" from the crisis in which they are isolated and rejected within and without. This itself shows signs of the downfall of the hopeless "civilian" fascist "regime."

The Kim Yong-sam group must know that, if they incite confrontation with communism and aggravate the North-South relations by framing anti-North intrigues, their remaining days will be shortened that much.

Kim Yong-sam Accused of 'Protecting' Coup Leaders

SK1911061994 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 18 Nov 94

[Commentary by Yun Pyong-son: "Those Who Protect Criminals Should Also Be Punished."]

[FBIS Translated Text] In these days, there are loud voices of South Korean people denouncing the Kim Yong-sam ring that protects and stands by those who were involved in the 12 December military coup, and demanding the indictment and punishment of the people involved in the coup.

According to reports, some 60 people from 23 South Korean dissident groups, including the Citizens Coalition for Economic Justice and the National Alliance for Democracy and Reunification, held a rally in front of the puppet Supreme Public Prosecutor's Office in Seoul in the afternoon of 16 November and urged the prosecution to immediately indict the people involved in the 12 December military coup.

In a resolution, they expressed their unrestrainable indignation at the prosecution's behavior and demanded the introduction of a special examination system for the people involved in the coup. They are planning to hold gatherings near the puppet Supreme Public Prosecutor's Office everyday until 12 December urging the indictment of the people involved in the coup and to carry out a signature campaign.

Prior to this, students of Chonnam University and Choson University in Kwangju waged a violent demonstration protesting the suspension of indicting those who were involved in the 12 December military coup. The Council of Democratic Youth Organizations also held a meeting and demanded an immediate arrest of the ringleaders of the coup and the resignation of all cabinet members.

Not only youths, students, people, and dissident groups, but also opposition parties are waging the struggle for this. Increasing the level of its offensive, the Democratic Party is saying that it will carry out a movement to oust the current regime unless the suspension of indictment of the people involved in the 12 December incident is withdrawn.

In a statement announced on 16 November, the leader of the New Democratic Party also urged Kim Yong-sam to make a resolute decision on this and insisted that he should step down from power if he cannot do so.

This struggle being carried out in South Korea is an expression of people's indignation and protest against the traitorous Kim Yong- sam clique that protects and stands by the people involved in the 12 December military coup. The South Korean people are demanding the indictment and punishment of the ringleaders of the 12 December military coup because they are the main culprits who prolonged the military fascist dictatorship, deterring the development of democracy in South Korea by using guns and swords.

As everyone knows, the 12 December military coup committed by the military scoundrels [kunsa purhandang] Chon Tu-hwan and No Tae-u was a military rebellion aimed at establishing the vicious military fascist dictatorship in South Korea, as well as a brigandish act to grasp power. In the process of staging this coup, the large-scale Kwangju massacre was committed, and the sinful history of the Fifth and Sixth Republics began.

Accordingly, the current regime's view of the 12 December military coup and its way of dealing with the people involved in the coup is a means to see whether or not the current regime is a fascist dictatorial regime like the Fifth and Sixth Republics. In other words, it is a touchstone that determines the characteristics of the Kim Yong-sam regime.

The treatment [chori] of the people involved in the 12 December military coup is an important issue that must be resolved, without fail, to dismantle the people's long-cherished resentment and to prevent such an incident from taking place again in South Korea.

However, even after he said the 12 December happening was a coup- like incident, Kim Yong-sam has protected the people involved in the military coup and decided not to prosecute them, saying that the institution of a public action for them is an unnecessary consumption of national strength, that it had better to let history evaluate the incident, and the like. Then, how on earth can the people restrain their indignation?

Protecting and standing by the main culprits of the coup, the Kim Yong-sam ring revealed by itself that the civilian politics, reforming policies, the liquidation of the past, and the like, which they claim to stand for, are all fake.

In fact, the Kim Yong-sam regime is a dictatorial regime stemmed from the Fifth and Sixth Republics. This is plainly proved by the realities shown in South Korea since Kim Yong-sam assumed power. What is the current situation created in South Korea over the treatment of the people involved in the 12 December military coup showing? It shows that it is impossible to punish the people involved in the coup or to dismantle the people's resentment, with the Kim Yong-sam ring that protects and stands by criminals as it is.

There is nothing more we can expect from the traitorous Kim Yong- sam clique. The only way to solve the problem is that all the South Korean people who desire democratization should rise up and bring the people involved in the coup, as well as the Kim Yong-sam ring that protects them, out to a trial of history, with their united strength.

The South Korean people will continue to carry out the struggle for democracy and justness, and the struggle will make the historic reactionaries come to an end, without fail.

Punishment for 'December 12 Incident' Demanded

SK2111101894 Pyongyang KCNA in English 1007 GMT 21 Nov 94

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—Kim Chong-su, chairman of the Association of Koreans in Japan for Peaceful Reunification, in a statement on November 18 said that the Kim Yong-sam group must severely punish the chief culprits of the "December 12 incident" in 1979 and scrap the notorious "National Security Law" [NSL] as unanimously demanded by the South Korean people.

Noting that the Kim Yong-sam group patronizes the chief culprits of the revolt including Chon Tu-hwan, who seized "power" by an illegal military coup, not punishing them, and arrest and punish those demanding independence, democracy and reunification, by invoking the "National Security Law," the statement said: "This proves that the 'NSL' is not a law for social security as they claim, but a rare fascist law entirely designed to oppose fellow countrymen and freeze division."

ROK Groups Urge Prosecution for 12 Dec Incident

SK1911103194 Pyongyang KCNA in English 1016 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—Members of 23 civic organisations of South Korea including the Citizens' Federation for Economic Justice and the National Alliance for Democracy and Reunification held a rally on November 16 to urge the prosecution to unconditionally indict Chon Tu-hwan, No Tae-u and other criminals involved in the December 12, 1979, military revolt, according to a radio report from Seoul.

In a resolution, the ralliers expressed resentment at the prosecution's decision to suspend indictment against the criminals of the revolt and stressed the need to introduce a system of special investigation against the criminals.

They vowed to hold a rally urging the prosecution of the criminals around the Supreme Public Prosecutor's Office every day from that day to December 12, and launch a signature campaign among people of all walks of life.

* North's Intensified Anti-South Propaganda Noted

952C0013A Seoul NAEWOE TONGSIN in Korean No 917, 8 Sep 94 pp A1-A4

[FBIS Translated Text] North Korea is continually stepping up its propaganda offensive against the South prior to the formal inauguration of a successor regime headed by Kim Chong-il.

North Korea's hard-line stance against the South is evident not only in its rejection of formal North-South dialogues such as Red Cross talks but also in the increasingly fierce barrage of character accusations and political propaganda against President Kim Yong-sam and the ROK Government.

North Korea's hard-line policy toward the South has been confirmed by these facts, among others: Government-run North Korean media brushed aside the ROK plan for North-South dialogues to settle the nuclear issue by branding it as an "illogical attempt" (NODONG SINMUN, 2 September), and vilified the ROK Government's measures against the followers of the chuche ideology in South Korea as signifying "an all-out confrontation" (Radio Pyongyang, 2 September). The anti-South Korea propaganda and agitation, which may be used as the barometer for assessing the directions of North Korea's domestic and foreign policies, has two-edged characteristics in that the North is weakening its anti-American propaganda while heaping evermore vicious abuses on the South with each passing day.

This two-edged attitude draws particularly keen attention because it precedes the third-stage U.S.-North Korea talks (scheduled for 23 September) and two expert meetings between the United States and North Korea (scheduled for 10 September) to discuss the question of establishing liaison offices and the problem of disposing of nuclear waste. In addition, the recent moves of the Big Four surrounding the Korean peninsula, that portend a seismic change in the arrangements for peace on the Korean peninsula also call attention to North Korea's hard-line policy toward the South. On the eve of the aforementioned U.S.-North Korea talks, China suddenly announced its withdrawal from the Military Armistice Commission in Korea; Russian President Yeltsin and PRC President Jiang Zemin held a summit meeting; and rumors circulated about Japan-North Korea secret talks for normalization.

Kim Chong-il is thought to be actually performing the duties of the DPRK president, and as pointed out by his half brother Kim Pyong-il (ambassador to Finland), there are no clear "signs of anomaly" standing in the way of Kim Chong-il's succession to power. Given these circumstances, North Korea's hard-line posture suggests the policy directions the successor regime will pursue toward the South. This observation is also supported by the fact that the military, which may be regarded as the prop of the Kim Chong-il regime, is further growing in stature.

Indicative of Successor Regime's Policy Directions

The names of Yi Ul-sol and other military brass were called side by side with the names of candidate members of the party Political Bureau and secretaries of the party Central Committee at the memorial services for Kim Il-song (on 20 July), suggesting that their ranks in the party hierarchy have been moved up. In addition, "the policy of giving priority to the military" and the principle of "a mixture of seniors, middle-aged, and youths" in the composition of the ranks of cadres were reiterated at the ceremony (on 27 August) marking the 20th anniversary of Kim Chong-il's "2 August laborious work," suggesting that "elder statesmen" in the military are in good shape.

While the successor regime in the making in North Korea following the death of Kim Il-song is causing rapid changes in the situation surrounding the Korean peninsula with the Big Four at the center of the stage, North Korea is seen pursuing a hard-line policy toward the South, in parallel and in close conjunction with these developments.

First, internally, the hard-line policy is aimed at building a stable foundation for the Kim Chong-il successor regime.

With the first and foremost priority on a stable succession of power, North Korea is adhering to its hard line toward the South based on "the doctrine of national liberation," in an attempt to prove the ideological legitimacy of the successor regime as the inheritor of Kim Il-song's chuche theory of revolution. North Korea has tried to justify the dynastic succession of power by advocating the "doctrine of continuous revolution." Claiming that "Kim Chong-il's thought and theories constitute a unitary ideological system that has fully inherited and developed Comrade Kim Il-song's revolutionary thought," North Korea has driven home the legitimacy of Kim Chong-il as the leader's "successor" to the public (Radio Pyongyang 14 July 1993 broadcast).

This suggests that North Korea believes that its hard-line policy against the South—such as slanders against the South, the rejection of dialogues with the South, and agitations calling for the overthrow of the ROK Government—will give the successor regime justification and legitimacy as the inheritor of the revolutionary tradition, thereby greatly contributing to the stability of the regime.

It is expected that the adherence to the hard line toward the South will also prove quite effective in achieving "the conversion of the whole society to the chuche ideology" designed to strengthen Kim Chong-il's power base and also in establishing "the unitary leadership system" of the party. In addition, North Korean official media recently warned against the anti-Kim Chong-il sentiment among the power elite and the lax social unity calling these phenomena "alien ideological elements." Maintaining a tense relationship with the South will be used as a useful vehicle in removing the anti-Kim Chong-il sentiment and bringing the North Korean people together.

Second, the hard line against the South may be part of the strategy to maintain the opacity of the "past" of the nuclear program.

North Korea once temporarily maintained the momentum of North-South dialogues by signing the North-South basic accord and the North-South joint declaration on a nuclear-free Korea. But the purpose of North Korea in signing the basic accord providing for compliance to the "Military Armistice Agreement" and "nonaggression between North and South" may have been to block the economically superior ROK from seeking an independent defense buildup and to weaken the ROK-U.S. joint defense arrangements.

Exclusion of ROK From Peace Agreement With U.S.

The purpose of North Korea in signing the North-South joint declaration on a nuclear-free Korea may have been intended as a gambit to create an atmosphere favorable to U.S.-North dialogues by giving the impression that it is interested in easing tension through North-South dialogues and making the Korean peninsula nuclear-free, in order to induce the United States to hold direct negotiations with North Korea.

This strategy became clear when North Korea continued to reject the ROK proposal for North-South dialogue to put the North Korean promises into practice, in spite of its promise in the joint statements issued at the first- and second-stage U.S.-North Korea talks to support the non-nuclear declaration and to hold North-South dialogues.

In the two-month period subsequent to Kim Il-song's death, North Korea has continued to reject dialogues with the South to improve North-South relations while continuing the third-stage talks with the United States. However, for nearly one and a half years since the first-stage U.S.-North Korea talks were held, North Korea has continued to reject dialogues with the South, except for the brief working-level contacts that took place suddenly to prepare for a North-South summit, with the Carter-Kim Il-song talks as a momentum.

The purpose of North Korea's long persistence in continuing to reject North-South dialogues is to maintain the opacity of the "past" of the nuclear program. Any progress in North-South dialogues, such as holding a meeting of the joint committee on nuclear controls to discuss the suspicions on the "past" of the nuclear program, would come into conflict with North Korea's nuclear strategy of seeking a package settlement of all problems standing in the way of improving U.S.-North Korea relations while keeping its nuclear program under wraps.

Third, the hard line against the South is aimed at converting the armistice agreement into a peace agreement.

Under its plan to bring up matters concerning a peace agreement at the third-stage talks with the United States, North Korea has made step-by-step preparations in the meantime.

On 28 April, North Korea proposed a U.S.-North Korea peace agreement through a Foreign Ministry statement. Shortly afterward it unilaterally withdrew its delegation from the Military Armistice Commission. On 24 May North Korea notified the UN Command that it established the "Panmunjom Office" of the North Korean Armed Forces. Shortly afterward North Korean Foreign Minister Kim Yong-nam sent an official message to the UN secretary general (on 28 May) asking for cooperation in connection with the North Korean proposal (contained in the Foreign Ministry statement) for making a new arrangement to guarantee peace. In late August, shortly before the second-stage U.S.-North Korea talks, North Korea strongly demanded that China withdraw its delegation from the Military Armistice Commission. On 1 September China announced the withdrawal of its delegation.

These developments have made a dent in the armistice arrangement that has been maintained on the Korean peninsula for these 41 years, making it inevitable to discuss a new arrangement for peace.

The North Korean strategy in calling for a peace agreement with the United States is couched in the expression of "banning the use or threat of force" in Section 1 of the "joint statement" issued at the first-stage U.S.-North Korea talks. Signing a peace agreement with the United States is one of the goals of North Korea's nuclear strategy.

That is why North Korea's signature to the basic accord which (in Article 5) provides for the observance of the current armistice agreement and North-South joint efforts to convert the armistice into a state of peace, is interpreted as a gambit to pave the way for direct dealings with the United States.

Therefore, it has become clear that North Korea has stepped up its hard-line policy toward the South by refusing to hold North-South dialogues since the first-stage talks with the United States, and is hardening this stance all the more at this juncture, prior to the forthcoming U.S.-North Korea "expert meetings" and third-stage talks because it seeks to exclude the ROK from peace arrangements despite the fact that the ROK stresses the need to make such arrangements by the interested parties of the North and South in accordance with the North-South basic accord.

North Korea's hard-line policy against the South will remain unchanged as long as North Korea, even after the Kim Chong-il regime comes into being, does not change its strategy for signing a peace agreement with the United States by excluding the South, as it relates to the North's position of keeping the "past" of its nuclear program under wraps and also to its strategy for unifying the Korean peninsula under communism.

Normalization of Relations With Japan Urged

SK2111101694 Pyongyang KCNA in English 1004 GMT 21 Nov 94

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—A meeting of representatives of various circles of Japan was held in Tokyo on November 14, demanding the normalization of diplomatic relations between Japan and the Democratic People's Republic of Korea.

Present at the meeting were Wataru Kubo, secretary general of the Japan Social-Democratic Party and member of the House of Councillors, Yoichi Tani, acting chairman of Dietmen's League for the Promotion of Japan-Korea Friendship and Liberal Democratic member of the House of Representatives, Hajime Fukada, director of the Secretariat of the Dietmen's League for the Promotion of Japan- Korea Friendship and Social-Democratic member of the House of Councillors, other Dietmen and people of various social strata.

The meeting heard a report of Prof. Narihiko Ito of Juo University, reports of representatives of different areas on activities for the normalization of diplomatic relations between Japan and the DPRK and speeches of various figures. Adopted at the meeting was a letter of request to the Japanese prime minister demanding an early normalization of diplomatic relations between Japan and the DPRK.

The letter said that today when the agreed framework between the DPRK and the United States was adopted, a prompt decision of the Murayama cabinet for the normalization of Japan-DPRK diplomatic relations is needed.

It urged the cabinet to immediately resume the talks for this and establish diplomatic relations between Japan and the DPRK at an early date.

It was unanimously agreed at the meeting to inaugurate an all-people supra-partisan forum for the promotion of the normalization of diplomatic relations between Japan and the DPRK.

On the same day, representatives of Kinki District met the chief cabinet secretary and handed to him a request demanding the normalization of Japan-DPRK diplomatic relations.

Japanese 'Nuclear Armament Plot' Denounced

SK2011112394 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 19 Nov 94

[Unattributed talk: "The Japanese Nuclear Armament Should Be Stopped"]

[FBIS Translated Text] One of the important issues to secure peace and security in Asia is to stop Japanese nuclear armament. Today, Japanese nuclear armament has reached a grave stage.

It well-known that the Japanese reactionaries have made efforts to strengthen their military power corresponding to their great economic power, attributing its past defeat to the weakness of its power. While talking about the possibility of attack by someone, self-defense from a threat, and the enhancement of the preemptive- attack capability during the Cold War, they have desperately made efforts to increase their armaments, as well as to strengthen their plots for armed reinforcement.

In particular, they have continued committing criminal plots to possess nuclear weapons, while cheating and fooling the people throughout the world under the desirable placard of the three principles regarding denuclerization.

Their goal is to place Japan in the ranks of the great powers throughout the world, to strengthen their right to speak [palonkwon] and their influence in the international arena, and to hold supremacy, making it become a great military power, a great nuclear power.

On the occasion of changes in the international situation that recently occurred as a result of the power policy of the superpowers, the Japanese reactionary forces are giving impetus to their nuclear armament by more openly disclosing their attempts to achieve their militaristic ambition. Also, they did not hesitate to even talk about the ability to possess nuclear weapons and their use, while babbling that nuclear weapons should be regarded as [word indistinct] to fulfill their reactionary foreign policy, and that Japan should hold freedom of action to produce nuclear weapons.

Japan has already produced an electronic triggering device and stockpiled a great amount of plutonium. By so doing, it has prepared all facilities necessary for the production of nuclear weapons. It has even produced and developed facilities that can transport nuclear warheads.

As shown above, the Japanese nuclear armament has become a reality that cannot be denied. The UK paper SUNDAY TIMES, quoting a secret report by the British Government, reported that Japan might have already manufactured atomic bombs, assessing that Japanese nuclear armament exists.

In his report, the U.S. defense secretary even stated that he is very concerned about the Japanese nuclear armament plot, saying that a potential horror [chamjaejok kongpo] has been raised within the U.S. Government regarding the Japanese nuclear armament.

The Japanese nuclear armament has become a hotbed of a new nuclear war in Asia. The aggressive nature of the Japanese militarists has not changed. The Japanese reactionaries are regarding nuclear weapons as the basic element of power and as the most superior means to expand their military power throughout the world.

Japan's goal for nuclear armament is to occupy the position of a new glory, to attain military superiority, to invade other countries by [word indistinct], and to achieve their dominationist ambition that failed in the past. Japanese nuclear armament is further increasing the danger of nuclear war in the Northeast Asian region, as well as the rest of Asia.

Japan, which provoked the Pacific War using its conventional weapons, will run more wildly if it completes its nuclear armament. It is obvious that if this happens, peace and security in Asia, including Northeast Asia, will be greatly threatened. Also, the people throughout the world would not be able to avoid the nuclear disaster.

The people in Asia are now alert to the Japanese nuclear armament plot. Japan should not forget the historic lesson learned from its past defeat and nuclear disaster. It should clearly see the trend of the times and should act with discretion.

WPK Delegates Meet With Jiang Chunyun in PRC

SK2011125594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Nov 94

[FBIS Translated Text] Comrade Jiang Chunyun, member of the Political Bureau and member of the Secretariat of the Central Committee of the CPC, met with a goodwill delegation of the Workers' Party of Korea [WPK] led by (Yi Yong-su), deputy director of a department of the WPK Central Committee, at the Great Hall of the People in Beijing on 18 November.

In the meeting, Comrade Jiang Chunyun said: There exists the traditional friendship and unity between the two parties, the two countries, and the two peoples of China and Korea. This friendship has been provided, consolidated, and developed by the old revolutionaries of the two countries; and it has been cultivated with blood by the people of the two counties.

He added: The question to further consolidate and develop this friendship, which has overcome the hardships of history, is of great significance in the present complicated international situation; and it is beneficial to the interests of two countries and to the peace of Asia. The party, people, and the Government of China will make efforts to continue to consolidate and develop the Chinese-Korean friendship. I believe that this friendship will surely be consolidated and developed through the joint efforts of the people of the two countries.

He went on to say: The death of the great leader of the Korean people Comrade Kim Il-song was a great loss. At that time, the Chinese people were in deep sorrow. The party, people, and Government of China believe that the Korean people will turn their sorrow into strength and courage, and achieve great success in the socialist construction and in the implementation of their cause for the fatherland's reunification under the leadership of the WPK headed by [subanurohanun] Comrade Kim Chong-il, thereby inheriting and accomplishing President Kim Il-song's lifetime cause.

Present at the meeting were Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, and Chu Chang-chun, our country's ambassador to China.

PRC Medical Association Delegates Sign Accord

SK1911045894 Pyongyang KCNA in English 0438 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA)—An agreement on cooperation between the Korean Medical Association and the Chinese Medical Association was signed in Pyongyang today.

Present at the signing ceremony on the Korean side were Kim Chong-ki, vice-chairman of the Central Committee of the Korean Medical Association, and other officials concerned and on the opposite side were the members of the delegation of the Chinese Medical Association headed by its Vice-president Xiao Ziren.

Depart for Home 19 Nov

SK2011132394 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Nov 94

[FBIS Translated Text] The delegation of the Chinese Medical Association led by Xiao Ziren, vice president of the association, returned home via air on 19 November.

The delegation was seen off at the airport by Kim Chong-ki, vice chairman of the Central Committee of the Korean Medical Association.

Military Delegates' Activities in Laos Described

SK2011103494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Nov 94

[FBIS Translated Text] The DPRK military delegation led by Comrade Choe Kwang—member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice chairman of the DPRK National Defense Committee, and chief of the General Staff of the Korean People's Army—laid a wreath at the Tomb of the Unknown Soldier in Laos on 14 November.

On that day, the delegation was invited to a banquet hosted by the minister of national defense of Laos.

Present at the banquet were Choummali Sai-gnason, Lao Minister of National Defense; the chief of general staff of the Lao People's Army [LPA]; the director of the General Political Bureau of the Ministry of National Defense; and generals and officers of the ministry. Our country's ambassador to Laos was invited.

Speeches were delivered at the banquet.

In his speech, the Lao minister of national defense said: The traditional relationship of friendship between the two countries is a precious relationship of friendship that was provided by the respected Comrade Kaysone Phomvihan and the great leader of the Korean people Comrade Kim Il-song. The Lao party, Government, people, and the revolutionary Armed Forces have all made efforts to develop this relationship.

He added: I am glad to see, today, the relationship of friendship and cooperation between the two countries developing in a wonderful way with each passing day. On behalf of all of the Armed Forces of the LPA, I express my wholehearted gratitude to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il for extending their active support and encouragement to the Lao people's revolutionary cause.

From 14 to 17 November, the delegation visited the Lao Military Museum, an armored brigade, a training center of the (Nam Suang) Officers' School, and historic remains in Louangphrabang.

On 17 November, the delegation was invited to a banquet hosted by the (?party committee, the administrative committee, and the stationery troops) in Louangphrabang Province.

Those present at the banquet drank a toast to the eternal life of the great leader Comrade Kim Il-song; to the good health and long life of the dear leader Comrade Kim Chong-il; and to the good health and long life of Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party, and of Comrade Nouhak Phoumsavan, president of Lao People's Democratic Republic.

Choe Kwang-led Delegation Arrives in Hanoi

SK2011113594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Nov 94

[FBIS Translated Text] The DPRK military delegation led by Comrade Choe Kwang—member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice chairman of the DPRK National Defense Committee, and chief of the Korean People's Army General Staff—arrived in Hanoi on 18 November on a visit to Vietnam.

The delegation was met at the airport by Lieutenant General (Phan Tu), vice minister of national defense of Vietnam; the director of the Ministry of National Defense External Affairs Bureau; and the ambassador and the military attache of our country's embassy in Vietnam.

A ceremony welcoming the delegation was held at the Guest House of the Ministry of National Defense. Welcoming the delegation there were General Doan Khue, member of the Political Bureau of the Central Committee of the Vietnamese Communist Party [VCP] and minister of national defense; the vice minister of national defense; a deputy director of the General Political Bureau; a deputy chief of general staff of the Vietnamese Armed Forces; the director of the General Supply Bureau; the commanders of the Air Force, the Navy, and the (Danang) Air Force Commands; a vice director of the External Affairs Department of the VCP Central Committee; a vice chairman of the Vietnamese-Korean Friendship Association; and relevant functionaries.

The national anthems of our country and Vietnam were played; and the delegation head, together with the Vietnamese minister of national defense, reviewed the honor guards of the Army, the Navy, and Air Force.

On that day, the delegation departed from Vientiane, winding up its visit to Laos.

At their lodging quarters, the delegation members bade farewell to the Lao minister of national defense, the director of the General Supply Bureau, and a deputy director of the General Political Bureau.

The delegation was seen off at the airport by a deputy chief of the General Staff of the Lao People's Army and relevant functionaries; and the staff of our country's embassy in Laos.

Vice Premier Hong Meets With German Delegation

SK1911023194 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 18 Nov 94

[FBIS Translated Text] Vice Premier Hong Song-nam met a delegation of the German (Bauer) Real Estate Management Co. Ltd. led by its President (Josef Bauer), which is sojourning in our country, at Mansudae Assembly Hall on 18 November and had a conversation in a friendly atmosphere. On hand were functionaries of the relevant sector.

During its sojourn, the delegation visited Mangyongdae and toured various places, such as the Tower of Chuche Idea and the Arch of Triumph.

Yang Hyong-sop Sends Greetings to Austria

SK1911100894 Pyongyang KCNA in English 1002 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, sent a message of greetings to Heinz Fischer upon his reelection as president of the National Council of the Republic of Austria.

Expressing the belief that the relations between the parliaments of the two countries will further develop, the message wished him success in his work.

Peru Adopts Resolution on Peninsula Situation

SK2011082694 Pyongyang KCNA in English 0809 GMT 20 Nov 94

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—A resolution on the situation of the Korean peninsula was adopted at the First National Youth Congress of Peru held in Lima recently.

The resolution recalls that his excellency the great leader Kim Il-song, president of the Democratic People's Republic of Korea, suddenly passed away in July and the entire Korean people always loyal to the leader's idea and guidance made an oath of loyalty to Comrade Kim Chong-il, upholding him at the head of the party, the state and the Army, and the recent talks between the DPRK and the United States ended with success to contribute to easing the tension on the Korean peninsula and resolving the nuclear issue comprehensively.

The resolution expresses deepest condolences to the Korean Government, people and youth on the death of the great leader President Kim Il-song and wishes Comrade Kim Chong-il great success in his work for carrying to completion the revolutionary cause pioneered by President Kim Il-song.

It expresses the belief that the framework agreement adopted between the DPRK and the United States will be conducive to peace, security and reunification of the Korean peninsula.

Kim Chong-il's Works Reported, Studied Abroad

SK1911103694 Pyongyang KCNA in English 1021 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was carried by the Bulgarian paper TRIBUNA, the Chinese HEILONGJIANG DAILY, the Madagascan paper IMONGO VAOVAO, the Zairean paper DEMAIN LE CONGO, the Iranian paper IRAN NEWS, the Zimbabwean paper PEOPLE'S VOICE, the Burundian paper RENOUVEAU, the Laotian paper PASSASON and the Egyptian paper AL GOUMHOURIA.

Radio Progreso and radio Cadena Havana of Cuba reported the work.

The work has been briskly disseminated and studied in different countries.

A seminar on the work was held at the Indian youth group for the study of the works of Comrade Kim Il-song.

Balzor Singh Chauhan, chief of the group, said in his speech at the seminar:

" 'Socialism Is a Science', a famous work of His Excellency Kim Chong-il, the great leader of the cause of independence, is a highly important work which all people aspiring to socialism should take as the guideline at all times.

"The great theoretical and practical significance of the work lies in its declaration that socialism as a science is still alive in the minds of the people and will without fail be revived and win ultimate victory for its scientific accuracy and truth."

Seminars on the work or reading sessions took place at the group for the study of the chuche idea in Burundi, the Zimbabwean Youth Centre for the Study of Kimilsongism, the Indian Ghaziabad Society for the Scientific Study of Self-Reliance and the Guyana Torchlight Taekwondo group for the study of the chuche idea of Comrade Kim Il-song.

Russian Writer Praises Works

SK1911104194 Pyongyang KCNA in English 1031 GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—A poem and the words of a song praising the dear leader Comrade Kim Chong-il were written by Russian writer V. Grishayev.

In the poem "To Comrade Kim Chong-il, the Defender of Socialism, Revolution and Peace," the writer says that Comrade Kim Chong-il was born in Mt. Paektu in the days of the anti-Japanese struggle, in response to the wishes of the people. He writes that the noble spirit of Mt. Paektu is his immense pride and the water of stream Sobaek is his crystal mind.

The brilliant intelligence of Comrade Kim Chong-il penetrates the curtain of the century, his spirit tames rivers and seas, his hands bring rich fruits and his passionate teachings are sources of exploits, the writer says.

Though the coward group has thrown away the flag of truth and conscience, our sacred red flag is flying, tightly held in the hands of Comrade Kim Chong-il, the poem says, and adds: The violent wind will die down and peace and happiness will come because there is for us him with iron grit.

In the words of "Song of Praise to Kim Chong-il," the writer says that Comrade Kim Chong-il is cultivating the future of Korea, true to the behests of President Kim Il-song.

Korea is throwing its rays, fearless of the thunder of the formidable enemy, because she has Comrade Kim Chong-il, the defender of the destiny of the working people.

Calling Comrade Kim Chong-il the sun in the hearts of the world people, a beacon lighting the long route of the ocean and the defender of truth of the century and peace, the writer says in the words of song:

The earth will be moved by his will and his name will shine as the banner of communism.

Seminars on Works Held Abroad

SK2011081894 Pyongyang KCNA in English 0806 GMT 20 Nov 94

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA)—Seminars on famous works of the dear leader Comrade Kim Chong-il were held in different countries.

A seminar on his famous work "Socialism Is a Science" was held at the Cultural Centre in Cairo on November 10 with the chairman and general secretary of the Administration Council of the Arab Art, Culture and Information Association of Egypt and writers and artists in attendance.

Mohamed Abdel Wahid, former general director of a Department of the Ministry of Culture of Egypt and a writer, said in his speech that he had learned well from the work of His Excellency Kim Chong- il that Korean-style socialism centred on the popular masses is the most scientific, superior and powerful socialism.

He further said:

"Korea under the revolutionary banner of the chuche idea is vigorously advancing toward socialism, with the leader, the party and the people united in one mind, without deviation under the complicated international situation today. This inspires the peoples of the revolutionary countries of the world with the conviction of victory."

Yehiya Khar Alah, a writer, said in his speech:

"The Korean people is blessed with a sagacious leader. Under the politics of love and trust shaped by his excellency Dear Kim Chong-il, the relations of comradely unity and cooperation have been established in all fields of social life and the single-hearted unity of the leader, the party and the people has been achieved.

"Korean-style socialism is invincible."

Seminars on the same work were held at the Communist Association of Sweden and the Bangladesh Self-Reliance Research Centre.

Seminars on the works "Let us march forward dynamically along the road of socialism and communism under the unfurled banner of the anti-imperialist struggle," "The Workers' Party of Korea organizes and guides all the victories of our people" and "On the fundamentals of revolutionary party building" took place at the Association for the Study and Dissemination of the Chuche Idea in Berlin, the Institute for the Study of Chuche-Based Idea on Literature and Art of Madagascar and the Group for the Study of the Chuche Idea of Comrade Kim Il-song in Enmore, Guyana.

Socialism Work Reported Abroad

SK2111050694 Pyongyang KCNA in English 0442 GMT 21 Nov 94

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was reported by foreign media.

The Russian paper PATRIOT carried a portrait of Comrade Kim Chong-il and devoted a whole page to the work under the cross-page headline "Socialism Is a Science".

In the preface entitled "Kim Chong-il and Socialism", the paper said:

The work, which is a political program of future activities of Comrade Kim Chong-il, is of particularly enormous significance today when Comrade Kim Il-song, the founder of the Workers' Party of Korea and the socialist state and the leader of the Korean people, is gone.

Comrade Kim Chong-il who is sensitive to breathing of the times is practically making precious contributions to the theoretical treasurehouse of humanity, constantly developing in depth the revolutionary theory of the working class and showing the road of progressive development to the peoples and preventing their possible errors.

What holds a special place in this new theoretical work is the proposition on the role of man under socialism, that is, the proposition on the significance of the independence of man and the proposition that man is the only master and only transformer of the world.

There is no need of proving the international significance of the new work of Comrade Kim Chong-il, because it is too clear.

Giving our view of the outstanding work of Comrade Kim Chong-il, we stress that all people interested in socialism must not fail to study it.

The work was reported by Russian paper AL KUDS, the Lebanese paper AL SHARQ, the Bangladeshi papers FIREZ KAGOZ and NATUN BANGLA and the Guinean News Agency.

Russian Scholars Comment

SK2111102294 Pyongyang KCNA in English 1015 GMT 21 Nov 94

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA)—Scholars of Moscow University of Russia who visited Korea highly praised "Socialism Is a Science", a work of the dear leader Comrade Kim Chong-il.

In an interview with KCNA they said the work is an immortal encyclopedia of socialism which fully systematized and completed the socialist idea and theory as a science.

Ph. Prof and Dr. Valeriy Kovalenko said that Comrade Kim Chong-il completed socialist idea and theory as a science this time and clarified the historical inevitability of the victory of socialism and the way of its realization with man put into main consideration, regarding man as the most valuable and powerful being in the world, which is different from the view of the preceding theories.

Comrade Kim Chong-il scientifically proved that man's intrinsic demand is collectivism and man's demand for independence is met only through collectivism and clearly explained that transition of capitalism to socialism is a law governing the socio-historical development, he said.

Prof. Aleksandr Kovalyov said that fully systematized in the theories elucidated by Comrade Kim Chong-il are practical issues of fully enhancing the role and position of man and continuously consolidating, developing and firmly defending socialist society by combining interests of individuals and the collective with each other in harmony.

Declaring that they will advance with the scientific theory of socialism expounded by Comrade Kim Chong-il as a valuable sword and guideline of socialism, he stressed that Comrade Kim Chong-il is, indeed, a great thinker and theoretician and a true statesman.

Ivan Melinikov, advisor to the president of Moscow University and vice-chairman of the Executive Committee of the C.C. [Central Committee], the Communist Party of the Russian Federation, said Comrade Kim Chong-il's work "Socialism Is a Science" is a banner inspiring those who have lost socialism with new confidence and socialism will surely revive in Russia and former Soviet republics.

The world progressive people are unanimous in admiring Korean- style socialism based on the chuche idea and hardening their confidence in the victory of socialism, encouraged by Korea in which socialism is making a long drive, he stressed.

Prof. Vitaliy Pashenko said that now the imperialists and reactionaries are clamouring about "the end of socialism" over the situation of some countries where socialism has suffered temporary setbacks, but he does not believe them.

Korean socialism centred on the popular masses justifies me, he added.

He stressed that as clarified by Comrade Kim Chong-il, socialism is a science and it has been proved through practice. He declared that socialism is sure to revive and emerge victorious finally for its scientific nature and truth.

Anniversary of Kim Chong-il Work on Land Noted

SK1911110094 Pyongyang KCNA in English 1042 GMT 19 Nov 94

["Highly Important Work That Brought New Turn in Land Administration"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA)—NODONG SINMUN today carries an article contributed by Cho Yong-nam, director of the General Bureau of Land Administration, upon the lapse of ten years since the work "On Improving and Strengthening Land Administration" was published by the dear leader Comrade Kim Chong-il on November 19, 1984.

In the work the dear leader, basing himself on the chuche idea, gave a scientific exposition of the essence of land administration and comprehensively clarified all the theoretical and practical matters arising in socialist land administration such as the protection and control of land, forests, roads, rivers and streams, the article says, and goes on:

With the idea and tasks set out in the work successfully implemented, the nature-harnessing project has been carried on vigorously in every part of the country so that many edifices of eternal value have been built, the arable land, forests, useful animals and plants and marine resources increased and rivers, streams, roads and coasts built neatly and beautifully.

The construction of expressways has been accelerated according to the party's policy of effecting a radical turn in the construction of roads, with the result that the building of the Pyongyang- Kaesong, Pyongyang-Kangdong and Wonsan-Mt. Kumgang Expressways was completed.

Provinces, cities and counties have given definite precedence to the cultivation of saplings to lay foundations for nursing hundreds of millions of saplings every year. And an all-people system of planting and tending trees on their responsibility has been established and the tree-planting campaign has been conducted vigorously in spring and autumn every year.

In the past investment in Amnok, Tuman, Taedong and other big rivers and small rivers and streams has been increased and their protection and control strengthened. So, in our country, arable land, dwelling houses and other wealth of the country and the lives and property of the people are reliably protected even in heavy rains. The West Sea Barrage and many other lock gates have been built so that a definite prospect has been opened in making a comprehensive and rational use of the nation's water resources. Arable land has been increased remarkably through a brisk tideland reclamation and new land cultivation. And land construction has been successfully carried on the basis of a regular system under a general plan worked out scientifically in our own way from the chuche-oriented stand.

South Korea

IAEA Team Scheduled To Enter DPRK 22 Nov

SK1811231294 Seoul KBS-1 Radio Network in Korean 2101 GMT 18 Nov 94

[By correspondent Cha Man-sun from Vienna]

[FBIS Translated Text] An International Atomic Energy Agency [IAEA] team that will verify whether North Korea's nuclear program has been frozen or not will visit North Korea on 22 November to inspect the measures North Korea has taken to freeze its five nuclear facilities.

IAEA spokesman Hans Meyer stated: In the afternoon of 18 November, the North Korean Embassy in Vienna issued visas to the IAEA team consisting of four or five inspectors and technicians, at the IAEA's request. Accordingly, the nuclear verification team [haek komjungdan] will leave Vienna on 20 November and enter North Korea on 22 November via Beijing.

The IAEA nuclear verification team will inspect the measures taken for freezing the five major nuclear facilities, including the five-megawatt reactor, the reprocessing facilities, the nuclear fuel molding plant, and the 200-megawatt reactor under construction in Taechon, as well as install supplementary supervisory equipment.

IAEA Heads to North for Negotiations on Freeze

SK2111001894 Seoul YONHAP in English 0008 GMT 21 Nov 94

[FBIS Transcribed Text] Berlin, Nov. 21 (YONHAP)—A team of UN nuclear experts left for North Korea Sunday to negotiate necessary steps for freezing the country's nuclear activities as promised.

Four or five members of the International Atomic Energy Agency (IAEA), the UN nuclear watchdog, left IAEA Headquarters in Vienna carrying visas issued by the North Korean mission there and are expected to arrive in Pyongyang via Beijing on Tuesday.

North Korea and the United States signed a breakthrough agreement on Oct. 21 under which the communist state promised to halt its nuclear program in exchange for better ties with the West.

The IAEA team, comprising inspection and technical experts, will meet with North Korean officials to discuss IAEA-required monitoring activities to verify that construction of 50- and 200-megawatt graphite-moderated reactors has been suspended.

Officials said the team, together with two inspectors already in North Korea, is likely to begin partial monitoring activities such as checking seals, replacing batteries and film in inspection cameras, and determining the condition of the reactors being built.

South-U.S.-Japan Meet About U.S.-North Accord

SK1811230194 Seoul KBS-1 Radio Network in Korean 2100 GMT 18 Nov 94

[By correspondent Cho Sun-hyong from Washington]

[FBIS Translated Text] The ROK, the United States, and Japan opened a high-level working-level meeting in Washington last night [18 November], Korean time, and are now discussing methods to implement the Geneva agreement between the United States and North Korea.

Representatives of the three countries are holding intensive discussions on the creation and operation of the KEDO, the Korea Energy Development Organization.

It has been learned that our side insisted that the ROK should take the key role in creating the KEDO and that ROK-type light-water reactors should be provided. The Japanese side, however, insisted that more countries should participate in the group because the North Korean nuclear issue is not a problem that concerns Asia alone.

It was also learned that the details on the issue regarding the $4-billion expense of building light-water reactors has not yet been discussed at the meeting.

Agree on More KEDO Invitations

SK1911025894 Seoul YONHAP in English 0245 GMT 19 Nov 94

[FBIS Transcribed Text] Washington, Nov. 18 (YONHAP)—South Korea, the United States and Japan agreed Friday to organize an international consortium to build light-water nuclear reactors for North Korea as soon as possible and to solicit the participation of several countries.

After a lengthy meeting here with U.S. Ambassador-at-large Robert Gallucci and the Japanese Foreign Ministry's Administration Bureau director-general, Sunji Yanai, South Korean Assistant Foreign Minister Choe Tong-chin said they had reached an understanding that Seoul should play an essential role in the reactor project and in Korea Energy Development Organization (KEDO) policy-making.

Before next April the United States, representing KEDO, and North Korea will conclude a reactor supply contract, and a South Korean company will be the prime contractor when KEDO strikes commercial deals under the main supply contract, he explained.

As for KEDO's functions and burden-sharing in financing the North Korean reactor project, the three countries will continue their negotiations, Choe said, indicating that they failed to reach agreement on this matter.

The three nations will meet again in December, he added.

U.S. State Department spokesman David Johnson said Washington, Seoul and Tokyo had discussed the issues of organizing KEDO to provide Pyongyang with light-water reactor technology, disposing of spent nuclear fuel rods in North Korea and supplying alternative energy to the communist country.

The three agreed to lead the consortium, with South Korea playing an essential role in financing and constructing North Korea's new reactors, Johnson added.

Choe said an understanding had been reached that South Korea should play a key part only in financing reactor construction, with no financial burden for supplying alternative energy and disposing of the spent fuel.

Noting that major European countries and Canada are expected to join KEDO in addition to South Korea, the United States and Japan, Choe remarked that since none of these countries has expressed plans to take part, the three key players would continue discussing the matter.

South Korea will insist that the Korean model of light-water reactor be used for the North Korean project at a U.S.-North Korea experts' meeting slated for Nov. 30 in Beijing, he said.

Noting that the KEDO secretariat has yet to be discussed in detail, Choe said KEDO would be a government-level agency and that its secretariat would be located in a place having easy access to North Korea and to financial services.

The agreement to have as many countries as possible join KEDO was occasioned by Japan's demand that because the North Korean nuclear issue is of international concern, many states including members of the Group of Seven (G-7) should share the burden of building new reactors in the North.

Japan reportedly said it would shoulder only part of the burden, with the number of other countries and their shares remaining up in the air.

Asked whether any other nations had voiced a willingness to share in the cost, Choe simply said "that is probably what we should discuss from now on."

U.S., DPRK Nuclear Experts: Meetings 'Frank'

SK1911122994 Seoul YONHAP in English 1216 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 19 (YONHAP)—The 10- man U.S. nuclear experts team departed Pyongyang Saturday morning rounding up a five-day meeting with their North Korean counterparts on the safe storage of used fuel rods, XINHUA News Agency reported Saturday.

External Affairs Bureau Director Hyon Yong-man of the North's Atomic Energy General Bureau told reporters Saturday that the two sides exchanged frank views on the issue of storing used fuel rods and reached accords, according to the news agency.

Head of the U.S. team Norman Wolff also called the meeting "constructive and useful," but neither side disclosed specific details, XINHUA News Agency added.

A North Korean Foreign Ministry spokesman Friday said that the North had completely stopped the construction of graphite-moderated reactors and the operation of relevant facilities.

North Cooperates With U.S. Experts on Fuel Rods

SK1911081594 Seoul YONHAP in English 0804 GMT 19 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 19 (YONHAP)—North Korea was cooperative to the activities of U.S. experts who were in Pyongyang this week to deal with the disposal of spent fuel rods extracted from a 5-megawatt nuclear reactor, and the condition of the rods is alright, it was learned Saturday.

These facts were contained in an interim report the U.S. experts team had filed with the home government through a secret telephone line at Panmunjom.

A diplomatic source in Seoul disclosed Saturday that the team, in reporting to the home government the condition of the spent fuel rods, used the Panmunjom secret telephone line with administrative assistance provided by the U.S. Embassy in Seoul, instead of the usual channel of the U.S. Embassy in Beijing.

This is the first time that the United States used the Panmunjom channel for communications with Washington from Pyongyang since last summer when former U.S. President Jimmy Carter met with the then North Korean President Kim Il-song, to defuse the nuclear crisis on the Korean peninsula.

'No Major Problem' Seen With Spent Fuel Rods

SK2011035494 Seoul MAEIL KYONGJE SINMUN in Korean 20 Nov 94 p 2

[FBIS Translated Text] It has been learned that North Korea cooperated with the activities of the U.S. delegation that entered North Korea on 15 November to investigate possible problems involving used fuel rods in Yongbyon and that there is no major problem in the present condition of the used fuel rods.

This was revealed by the interim report of the U.S. delegation in North Korea which made the report on its activities to date to its home government through a secure telephone line in Panmunjom.

A diplomatic source in Seoul said on 19 November: In making the report to the home government on the condition of the North Korean storage of the used fuel rods, the U.S. delegation in North Korea used a secure telephone line in Panmunjom with the assistance of the staff of the U.S. Embassy in the ROK, instead of the usual channel of the U.S. Embassy in Beijing.

The source stated: According to the delegation's report, the delegation has been smoothly conducting its work of investigating the storage condition of the used fuel rods with the cooperation of the North Korean side. There is no more significant damage in the used fuel rods different from what was anticipated.

U.S. Embassy Official Cited on N-S Trade

SK1911004894 Seoul YONHAP in English 0041 GMT 19 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 19 (YONHAP)—The United States is reportedly opposed to the Seoul government's position that inter-Korean trade should be classified as internal and thus not subject to the World Trade Organization (WTO) accord.

A diplomatic source revealed Saturday that a senior official from the U.S. Embassy to Seoul said last Monday that labeling inter- Korean trade as internal runs counter to the free trade spirit of the WTO.

The source quoted the U.S. official as saying Washington's position is that South Korean and American businesses should be able to advance into North Korea on an equal footing.

"Such remarks appear to be Washington's unofficial response to Seoul's plan, which was disclosed at a recent parliamentary interpellation session, that the Seoul government is considering attaching a provision to the WTO agreement saying that inter-Korean trade involves internal transactions among Koreans," the source explained.

With regard to replacing the Korean Armistice Agreement with a peace treaty, the embassy official said Washington maintains that the issue should be discussed by six parties—South and North Korea, the United States, Russia, Japan and China, the source disclosed.

Meanwhile, the director-general of the Foreign Ministry's International Trade Bureau, Chong Ui-yong, said he had no knowledge of the embassy official's remarks, saying American officials who came to Korea with Secretary of State Warren Christopher responded affirmatively to Seoul's stance on inter-Korean trade.

UN Willing To Help North Convert War Industry

SK1911050794 Seoul YONHAP in English 0453 GMT 19 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 19 (YONHAP)—The United Nations will support North Korea if it wants to convert its military industry to peaceful uses as the nuclear problem has been solved, a UN official said Friday.

UN Industrial Development Organization (UNIDO) Director-general Mauricio Campos, who arrived here last Thursday, also said UNIDO is working out detailed means to provide economic support for North Korea as it does for other developing nations.

In an exclusive interview with YONHAP news agency, Campos said that if North Korea wants to move its industrial structure away from the current war orientation, UNIDO will be able to use experience it gained in Russia to help such efforts.

His remarks suggested that the United Nations hopes to lead North Korea toward disarmament, given U.S. moves to push for disarmament on the Korean peninsula.

Campos said UNIDO's support for changing the North's war industry is not a wild idea, in that it has already borne fruit in such eastern European countries as Slovakia and Russia.

Tanks have been transformed into tractors and even into wheelchairs, he pointed out.

North Korea is among the developing countries which are entitled to UN support, he said. As an agreement was reached at the nuclear talks in Geneva, UNIDO will seek to give the North the same support it has provided to other developing states.

With the Tuman River basin development project the United Nations Development Program (UNDP) has been pushing, there may be some fields where UNIDO can participate, Campos added.

He said experts at UNIDO Headquarters in Vienna are studying which fields the organization can join in the UNDP project.

Campos is on an Asian tour which also includes visits to China and Vietnam.

South Korea joined UNIDO at its inception in 1967 and currently donates 100,000 U.S. dollars to its industrial development fund.

DPRK Reportedly Facing Worst Economic Crisis

SK2111044694 Seoul CHUNGANG ILBO in Korean 21 Nov 94 p 2

[By reporter Choe Won-ki]

[FBIS Translated Text] A government source revealed on 21 November that North Korea is facing the worst economic crisis with rice being sold at 25 won, 300 times higher than the state-run shop price, which is 8 chon, in the peasants' market—the black market.

The source, well-informed on North Korean affairs stated, "North Korea is suffering from a serious shortage of goods. State-run shops almost suspended the supply of goods. As a result, the prices at the peasants' market, the black market, jumped 10- to 300-fold higher than state-run shop prices." The source added, "the North Korean authorities have planned an extra tight budget to solve the soaring price situation. Various rallies are being held extensively at enterprises to encourage production."

Although prices at the peasants' market, which reflect the real prices in North Korea, differ by region to some extent, eggs sold at 17 chon at state-run shops are reportedly sold 17 times higher than the three-won price at the peasants market, and a pair of socks priced at 1 won at state-run shops costs 40 won.

A wristwatch in the peasants' market costs 5,000 won, 50 times more than the average monthly income of North Koreans (60 to 100 won monthly), and a color television set costs 25,000 won.

DPRK's Foreign Debt Situation Analyzed

SK2111123894 Seoul SISA JOURNAL in Korean 24 Nov 94 p 20

[FBIS Translated Text] There is no fool who will lend money again to someone who has not repaid him. To lure Western capital, North Korea must first solve the problem of foreign debt which has accumulated during the past 20 years. In addition to its unpredictable political situation and inferior social infrastructure, North Korea has received the lowest investment credit mark in the world because it has been labeled a "bankrupt state." Western banks and related countries that lent money to North Korea are remaining silent about the content of North Korea's accurate debt. The total amount of North Korea's foreign debt can greatly differ according to how the interest is calculated. According to an estimation by experts at home and abroad who are well-informed on this matter, it is estimated that as of late 1993, North Korea's overall foreign debt was $10.3 billion. It is also estimated that Russia lent $4.3 billion and the PRC lent $1.8 billion in loans to North Korea.

Surprisingly enough, except for U.S.-affiliated banks, North Korea borrowed money from almost all Western banks. Mr. (Idan Poster-Carter), a British economist who has been following North Korea's foreign debt problem, claims that except for the United States, almost all banks in Western advanced countries have debt relations with North Korea, whatever the form. Even though over 20 years have passed, North Korea has not repaid any of the money.

Centered on the European-affiliated banks, North Korea is in debt to 104 Western banks, totalling $1.6 billion. The overall scale of foreign debt North Korea owes to Japan and Western advanced countries exceeds $3.5 billion. From an international standard, this amount is not much, but North Korea has not shown a willingness to repay the money it borrowed 20 years ago when it stopped paying interest. North Korea has not even responded to negotiations to repay its foreign debt. With the situation as such, in October 1986 creditor banks announced North Korea as a bankrupt state.

Since then, except for cash settlements, these banks have refused any kind of financial transactions with North Korea. Therefore, it is almost impossible for Western businesses to borrow capital from banks to invest in North Korea. Mr. (Poster-Carter) says: "If North Korea made efforts to repay even a small amount of money, or showed sincerity in cooperating with creditor banks, it would have avoided the humiliation of being declared a bankrupt state."

North Korea maintained relatively consistent economic growth in the 1960's and 1970's, and began to expand trade relations with Western countries from the late 1960's.

During this period, North Korea exchanged trade missions with France; a trade mission was established in Austria; and a trade agreement was concluded and another established with Finland. Also during this period, North Korea imported mainly foodstuff and machine equipment from these countries. Payment for these goods was settled through foreign currency obtained in trade surplus with Japan and money obtained from selling gold and silver on the London market.

In the early 1970's, when North Korea's economic situation was comparatively good, its balance of payments was satisfactory. The amount of foreign exchange holdings was also on the rise. Trade was gradually increased to countries such as Denmark, Norway, Sweden, and Switzerland. With the increase of trade with European countries, North Korea accumulated credit from Western banks. Thus, it was easy for North Korea to obtain loans from the Western banks and its trading partners.

However, in 1974, with the sharp decline in the price of nonferrous metals, which was North Korea's major export product, along with the oil shock, North Korea's balance of payment started to aggravate rapidly. From this time, North Korea started to refuse payments on its foreign debt.

Western businesses that were not able to receive payments for goods exported to North Korea made efforts to receive debt payments through goods or by borrowing land free of charge (in case it is a new investment). Intermittent dealings with North Korea by businesses in Germany, Switzerland, Sweden, and Great Britain were in reality mainly to receive money from North Korea.

Ciba-Geigy, Switzerland's worldwide multi-faceted business, and Shell, Great Britain's oil company, continue to show interest in investing in North Korea. However, these companies are the main ones that did not receive payment from North Korea. (Wolf Sormark), the first secretary of the Swedish Embassy in the ROK, explains: "The reason Swedish businesses jointly built a ship construction yard with North Korea and showed interest in investing in port facilities was as a means to receive payment for the goods it exported to North Korea, amounting to $120 billion."

Western banks that lost hope of receiving debt payments from North Korea began selling their bonds in the international financial market from the late 1980's. In 1989, a $100 million bond was sold for nine cents a dollar. Since then, active dealings were not carried out. But recently, with the settlement of the U.S.-DPRK negotiations, the price of the bond has begun rising sharply. Financial authorities say there are investors who say they will pay over 25 cents per dollar.

The reason for the number of investors showing interest in North Korean bonds is that it seems North Korea will solve the problem of foreign debt, whatever the form, in the near future in order to lure foreign investment. Domestic conglomerates are showing interest in North Korea's bonds out of a desire that it may be of help in receiving favorable investment conditions from North Korea.

Major investors buying North Korean bonds feel that if economic unity is achieved between South and North Korea, it will be inevitable for the ROK Government to positively carry North Korea's foreign debt, which was the case with Germany. To lure foreign investment and loans to East Germany, West Germany carried East Germany's debt.

Influential DPRK Economic Officials Profiled

SK2111054494 Seoul HANGUK ILBO in Korean 21 Nov 94 p 8

[By reporter Yu Sung-u]

[FBIS Translated Text] Regarding the expected power reorganization in North Korea, it is believed that North Korea is likely to let the present economic policy team remain in office and seek ways to open itself up with the economic team.

In an analysis article carried by its recent issue, NAEWOE News Agency reported: "It seems that there will be no big reshuffle of economic officials in North Korea because they are now proceeding with tasks for the adjustment period." It then introduced North Korean officials in charge of economic policies, dividing them into two groups—those who are likely to remain in office and those who are likely to be put into important positions.

According to the analysis, high-ranking economic officials who are likely to remain in office are Premier Kang Song-san and party Secretaries Chon Pyong-ho and Han Song-yong. It seems that Chon and Han, munitions industry experts who were in charge of party organizations, will be assigned to important posts, despite their advanced age.

Chon Pyong-ho studied at the Mangyongdae Revolutionary Institute and graduated from both Kim Il-song University and Moscow University. He was director of the party's Machine Industry Department for more than 10 years from 1971, and in 1982, and was appointed chairman of the Second Economic Policy Commission of the Central People's Committee that leads the national munitions industry. This is why he was elected as member of the National Defense Committee in May 1990, although he had not worked for the Army. Now he is party secretary in charge of munitions, as well as director of the Munitions Industry Inspection Department.

Han Song-yong is an expert on the ship machine industry and is assessed as the party's economic pivot. In particular, he is known as a missiles expert.

High-ranking economic officials who are likely to rapidly come to the fore are No Myong-kun and the so-called troika for opening Yi Song-tae, chairman of the External Economy Commission, and its Vice Chairmen Kim Chong-u and Yi Song-nok. No Myong-kun is a obscure person. However, he is seen as an influential person who is in charge of secret funds for Kim Chong-il, as director of the Financial Management Department. In addition, he seems to have been deeply involved in the "business of earning foreign currency" since he was appointed adviser of the Changgwang Enterprise General Bureau in 1986. Summing up, No is inseparably related to Kim Chong-il and will probably cast in his lot with Kim.

Yi Song-tae, a member of the faction well versed in Japanese affairs, entered the political world as an instructor of a food company. He was engaged in trade business under Kim Tal-hyon and succeeded Kim as chairman of the External Economy Commission in 1992. Yi accompanied Kim Tal-hyon when he visited Seoul. It seems that Yi will be put into an important position if Kim Tal-hyon is reinstated.

Yi Song-nok is chairman of the Koryo National Industrial Development Association, which is in the spotlight these days. Yi is also vice chairman of the External Economy Commission, vice chairman of the Foreign Affairs Committee of the Supreme People's Assembly, chairman of the International Trade Promotion Committee, chairman of the Korean Association for the Promotion of Asian Trade, and vice chairman of the DPRK-Japan Friendship Association. As shown above, he has various titles in almost every external economic organizations in North Korea. Issuing letters of invitation to ROK companies, he said: "I am willing to visit Seoul to introduce the North's investment conditions if the South allows me to visit." Yi attracts public attention, being exposed at the front as mentioned above.

Kim Chong-u is regarded as a "working-level functionary," who was chairman of the Subcommittee for South-North Exchange and Cooperation and of the Joint Committee for South-North Economic Exchange while South-North high-level talks were held in the past. He is also expected to emerge to the fore as he was chief of the North Korean delegation to DPRK-U.S. experts' talks on the light- water reactor issue recently held in Berlin, and as he has active contacts with ROK companies in Beijing.

Weekly Interviews South's Ambassador to PRC

SK2111135394 Seoul SISA JOURNAL in Korean 24 Nov 94 pp 54-55

[Interview with Hwang Pyong-tae, ROK ambassador to the PRC, by Editor Pak Chun-ung—place and date not given]

[FBIS Translated Text] [Pak Chun-ung] Research institutes in foreign countries are predicting the PRC will become the world's largest single market in 2010 as well as the world's largest economic power. How do you think we should cope with such a market in the future?

[Hwang Pyong-tae] We should seek ways to coexist with the PRC as partners. The ROK and the PRC concluded the Agreement on Industrial Cooperation last June to the effect that the ROK and the PRC will form a kind of unified economic body in certain industries. In such industries, the ROK and the PRC decided to completely open each other's market and engage in joint production and joint development; the two will foster such industries, which they have jointly developed, with a view to coping with the world market in the 21st century. The main point is the two countries will make joint efforts to develop and foster, as world-class industries, the automobile, telecommunications, high-definition television, and aviation industries. As far as important industries are concerned, we should maintain a cooperative relationship with the PRC as if we were running a three-legged race. In this manner, we should make the PRC our neighbor, which will neither pose a threat to us nor become our competitor, but with which we can live together.

[Pak] Some are worried that if the PRC grows as an economic power, it will become a military power, and at the same time will become a political power eventually seeking hegemony [paekwon].

[Hwang] The PRC has thus far remained faithful to the five principles of peaceful coexistence. Principles of anti-hegemonism and anti-highhandedness [panpaekwonjuui, pankangkwonjuui] have recently been added to the aforementioned principles. In the future, what is important is not military strength but economic capability. The PRC seems to think the way out of their difficulties lies in participating in the world economy and building a peaceful coexistence system, and that their threatening of neighboring countries and their seeking of hegemony is not in their interests. Presently, the PRC is giving priority to making all its investments in developing industries, not paying special attention to the military sector. I cannot reach a hasty conclusion here, but I think that in view of past history, we cannot find any evidence proving that, just because the PRC will become an economic power, the country will at the same time become a military power.

[Pak] Some take issue with the point that the PRC is conducting an equidistant diplomacy of taking economic profits in its dealings with the ROK, while supporting or protecting North Korea politically and militarily.

[Hwang] We should see this from a historical point of view. The ROK and the PRC once pointed their guns at each other, while North Korea was a blood ally of the PRC. When it participated in the Korean War, the PRC shouted the slogan "Resist the United States and Aid North Korea." Accordingly, under the circumstances in which it was in a hostile relationship with the ROK and forged blood ties with North Korea, the PRC established diplomatic relations with us. Since the establishment of diplomatic relations, the ROK and the PRC have become economically close; the two have gone so far as to be industrial allies. If we say the PRC and North Korea are military allies, we can say the ROK and the PRC are industrial allies. As time goes by, the Cold War legacies and ideological conflicts will fade; then everyone will give priority to seeking his own national interests. In this case, the relationship of industrial cooperation will be strengthened, and the blood relationships of the past will be weakened. The watershed of this trend was Premier Li Peng's visit to the ROK.

[Pak] The PRC has withdrawn from the Military Armistice Commission [MAC] as requested by North Korea, and has repeatedly called for replacing the Armistice Agreement with a peace agreement, has it not?

[Hwang] On the basis of its own judgment that the function of the MAC has become useless, the PRC has not paid attention to it, so when North Korea made the request, the PRC judged it only natural to comply. The PRC's expression is not "a withdrawal" but "a recall." Also, before it recalled its delegation, the PRC notified me. I immediately reported this to Seoul and filed a protest with the PRC Foreign Ministry. The PRC put off issuing the relevant announcement for 27 hours. During that time, I demanded that if the recall was inevitable, the PRC should make it clear the Armistice Agreement would remain valid until a peace agreement is concluded, and that the question of concluding a peace agreement should be solved between the South and North as the parties concerned. The PRC accepted this request, issued a statement, and made clear three hours later that it would recall its delegation from the MAC. Everything went on without a hitch, did it not?

[Pak] It has been known that the PRC exercised much influence in settling the U.S.-North Korean talks in Geneva. What was the reality?

[Hwang] The PRC believes what is most desirable is that by using its nuclear bargaining chip, North Korea will establish diplomatic relations with the United States and Japan, and that eventually the four major powers will give cross-recognition of South and North Korea on the Korean peninsula. Therefore, until last March when the negotiations between the United States and North Korea were at their peak, the PRC maintained a happy-go-lucky attitude. But last April, when negotiations did not proceed smoothly, the PRC made its voice heard in earnest. While the United States pushed for UN-initiated sanctions against North Korea, the PRC opposed this, instead calling for the adoption of a Security Council presidential statement. I heard that was the first time the PRC took this kind of measure within the United Nations. As far as I am concerned, the PRC put forth such a proposal without sufficiently consulting North Korea. When the Security Council presidential statement was released, North Korea rejected it. Even under such conditions, a North Korean representative to the UN tried to sound out the PRC's intention. To this, the PRC answered: "Everything is as it is written in the statement." This means North Korea should accept what is written. As we see here, the PRC was trying to solve the problem in an active manner. When the International Atomic Energy Agency tried to adopt a statement demanding measures be taken against North Korea, North Korea asked the PRC to reject this. However, the PRC abstained from voting. Since then, it has been disclosed that the PRC and North Korea have different stances toward solving the nuclear issue. North Korea believes there is no choice but to solve the nuclear issue, because the PRC has suggested to North Korea that the latter solve the nuclear issue before next spring when a conference is held to revise the Nuclear Nonproliferation Treaty [NPT].

[Pak] Is there any possibility the PRC will ask the United States or the ROK to compensate them in return for their contribution in settling the U.S.-North Korean negotiations?

[Hwang] As far as the PRC is concerned regarding the Korean peninsula, there are three tasks. First, denuclearizing the Korean peninsula; second, preventing war; and third, ensuring North Korea does not collapse. The PRC fears that in case North Korea should collapse, several millions of refugees might pour acroos its border. As a result of the latest settlement in the U.S.-North Korea talks, the conditions for these three tasks have basically been satisfied. Accordingly, the PRC is now very satisfied with the agreement reached in Geneva.

[Pak] In the future, the United States and the PRC will compete to gain influence on the Korean peninsula, will they not?

[Hwang] The PRC has the three "no" policies as regards the Korean peninsula. First, the PRC believes it will be beneficial to have North Korea's socialism smoothly change by exchanges with the ROK, but regards a collapse of North Korea's socialism as a result of external pressure as a threat to the PRC's socialism; this is, the principle of no damage to socialism. The second is the principle of no alliances being maintained regarding unification of the Korean peninsula. This means the PRC does not want to see the ROK maintain an alliance with the United States, or North Korea with Russia, in order to unify the Korean peninsula; in other words, South and North Korea should achieve unification on their own in the pure sense of the word. The third is the principle of no hostilities. This means the PRC does not wish to see a unified government on the Korean peninsula adopt a policy of hostility toward the PRC. The PRC is of the position that if these three conditions are satisfied, the PRC will welcome any style of unification of the Korean peninsula. The United States wants North Korea to become a normal state, not a country which toys with the nuclear issue. Once North Korea becomes a normal state, then the United States will turn its eyes to economic interests in the region. The United States is seeking to advance into this region through the Asia-Pacific Economic Cooperation [APEC]. If the United States and the PRC should have a dispute with each other in this region, it will be over the question of who will take the initiative in the Asia-Pacific economic sphere. In the future, what is most important for us is to establish a system of coexistence with North Korea. If North Korea becomes a normal state, questions regarding U.S. Forces in Korea will automatically be solved. Since North Korea withdrew from the NPT last March, the South-North Korean question has abruptly become an international issue. However, through the latest Geneva talks, the question of the Korean peninsula has broken away from the center stage of the international community.

Chilean President Arrives in Seoul 20 Nov

SK2011125994 Seoul KBS-1 Television Network in Korean 1231 GMT 20 Nov 94

[FBIS Translated Text] President of Chile Eduardo Frei arrived in our country on the afternoon of 20 November at the invitation of President Kim Yong-sam.

President Frei is the first Chilean head of state to visit our country. He will hold ROK-Chilean summit talks with President Kim Yong-sam at Chongwadae [presidential offices] on 21 November. They are expected to discuss matters of mutual concern, including ways to strengthen trade and cooperation between the two countries.

Meets With Kim Yong-sam 21 Nov

SK2111055094 Seoul YONHAP in English 0445 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—President Kim Yong-sam met with his Chilean counterpart Eduardo Frei Monday at Chongwadae [presidential offices], where they agreed to support each other's bid for a non-permanent seat on the UN Security Council for 1996-97 and expand bilateral economic cooperation.

President Kim hoped that South Korean enterprises would be allowed to expand their participation in Chile's development and processing of natural resources, telecommucations projects, science and technology and fisheries fields.

President Frei said he would welcome South Korean businesses' advance into Chile for bilateral expansion of trade and Korean investment in technology development. He promised to make maximum efforts toward that end.

The two presidents also agreed to push for joint research of the Antarctic continent through exchanges of information and scientists, sharing the understanding that peaceful use and exploration of the antarctic is important to mankind's future.

Kim asked his Chilean counterpart to continue cooperating to solve the North Korean nuclear problem, noting that the North Korean-U.S. agreement in Geneva is just a beginning.

Frei confirmed that Chile will support the South Korean position so that resolution of the nuclear issue can develop ultimately into peaceful unification of the Korean peninsula.

They also decided to work together in international organizations including the United Nations as well as strengthen coaction in the Asia-Pacific Economic Cooperation (APEC) grouping, which Chile recently joined.

Kim expressed his gratitude for Frei's invitation to visit Chile and said he would do so at a convenient time for both sides.

In addition, the two presidents attended a ceremony where their foreign ministers signed two agreements.

One is an extradition treaty which applies to criminals punishable with a prison term of one year or longer. It does not apply to cases where the accused may be subjected to unjust treatment on political, racial, or religious grounds.

The other is a scientific and technical cooperation agreement, under which the two countries will exchange experts, information and data and establish a joint committee to discuss and select cooperative projects.

Frei, the first Chilean president ever to visit South Korea, is scheduled to meet with Hwang Nak-chu, speaker of the National Assembly, ruling Democratic Liberal Party chairman Kim Chong-pil and opposition Democratic Party leader Yi Ki-taek on Tuesday to discuss matters of mutual concern.

He arrived here on Sunday and is to leave on Tuesday.

South, Chile Open 10th Cooperation Committee

SK2111060094 Seoul YONHAP in English 0544 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—The 10th South Korea-Chile Economic Cooperation Committee (SCECC) opened Monday at the Hotel Shilla in downtown Seoul.

At the committee meeting timed with Chilean President Eduardo Frei's official visit here, the Seoul side spoke of its experience in developing infrastructure while the Santiago side called on South Korea to import more Chilean fruit.

Both sides shared the view that early conclusion of agreements on double-taxation avoidance and investment insurance are prerequisites to improving bilateral economic cooperation.

The participants included Kim Sang-ha, chairman of the Korea Chamber of Commerce and Industry, and SCECC Co-chairman Yi Chong- song from the Korean side, and SCECC Co-chairman Roberto Maristany and Jose Guzman, chairman of the Production and Commerce Confederation, from the Chilean side.

A luncheon for President Frei hosted by four South Korean economic organizations followed the joint meeting.

Israeli Prime Minister's Visit Previewed

SK2111064294 Seoul YONHAP in English 0625 GMT 21 Nov 94

[By Yi Tong-min]

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—Prime Minister Yitzhaq Rabin travels to South Korea next month as the first Israeli leader to make such a visit.

Rabin's visit from Dec. 14-17 is a reflection of new South Korean-Israeli relations that have changed for the better since the Middle East peace process gathered steam as well as a chance to move closer economically.

The two countries normalized ties in 1962 but the Israeli-Arab confrontation imposed barriers to realizing the benefits of such relations.

These links were disturbed when South Korea, conscious of an Arab boycott after the second war in the Middle East, unilaterally closed down its embassy in Israel.

Restoration of diplomatic activities began with progress in the peace negotiations last year, and Seoul reopened the embassy in December 1993.

Rabin's visit adds a meaningful touch to the growing momentum in the two nations' ties.

The Seoul government has already promised 12 million U.S. dollars over the 1994-98 period to help peace take root in the Middle East.

In addition, it is an active participant in the multilateral conference on supporting the Middle East, playing a highly visible role in three of the five working groups—economic development, environment and water resources.

During his stay, Rabin will meet with South Korean President Kim Yong-sam for in-depth talks on the political climates of their respective regions and bilateral relations.

Special emphasis, given Seoul's role in the multilateral conference, will be placed on Israeli-Arab developments, officials say.

Israel was once courted by North Korea, which wanted to sell mineral mines for cash with a promise not to sell missiles to Jerusalem's unfriendly neighbors.

After a few meetings that brought no results, North Korea and Israel suspended the talks.

Rabin's visit is expected to have a positive influence on bilateral trade relations as well: The two sides plan to sign aviation and cultural cooperation pacts.

The prime minister will be accompanied by over 20 Israeli businessmen who have separate meetings scheduled with their South Korean counterparts, brightening hopes of energized trade and investment activities.

Conditions are certainly ripe now as a number of Arab nations have announced they will lift economic boycotts against Israel with the positive movement in the peace process.

South Korea shipped 13.8 million dollars in exports last year to Israel while importing 13.4 million dollars' worth. Exports tallied 10.3 million dollars in the first half of this year alone while imports totaled 6.7 million dollars over the same period.

Israel boasts internationally recognized superiority in agriculture, telecommunications, life sciences and other high-tech industries, opening the door to diversification of South Korea's technology import sources.

South-Israel Hold Workshop To Mark Science Pact

SK2111065694 Seoul YONHAP in English 0634 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—A workshop on genetic engineering is under way in Taedok, South Chungchong Province, to mark the signing last week of a science and technology cooperation pact between South Korea and Israel.

Seventeen papers are being presented at the workshop sponsored jointly by the Genetic Engineering Research Institute (GERI) of Korea and Israel's Weizmann Institute of Science in four areas—chemical immunology, nontoxic agricultural chemicals, plant genetic engineering and applied microbiology.

Among the papers are "encapsulated microbial pesticides" presented by Pok Song-hae, a fellow at the GERI, and one covering hepatitis-B virus by GERI researcher Kim Kil-hyon.

Han Mun-hui, chairman of the workshop's organizing committee, delivered an opening address while Science and Technology Minister Kim Si-chung gave a welcoming speech to over 300 participants from both countries.

Among the other participants were Israeli Ambassador to Seoul Asher Naim, Israeli Minister for Science, Technology and Culture Shulamit Aloni and GERI Director Pyon Kwang-ho.

The workshop will continue for two days from Monday at the Lotte Hotel in Taedok.

President Kim Speaks on APEC Forum, Visits

SK1911113094 Seoul KBS-1 Television Network in Korean 0927 GMT 19 Nov 94

[Speech by President Kim Yong-sam at Seoul Airport upon returning from attending the Asia-Pacific Economic Cooperation, APEC, meeting and his visits to the Philippines, Indonesia, and Australia—live]

[FBIS Translated Text] My fellow countrymen:

I have just returned after attending the Asia-Pacific Economic Cooperation, APEC, summit meeting and officially visiting the Philippines, Indonesia, and Australia.

During this trip I achieved many successes and also learned precious lessons on the basis of the heightened status of our country.

In the Philippines, President Ramos and I promised to maintain our strong economic cooperation. Concerning the push of the (?Second Economic) Plan of the Philippines, President Ramos said he would express his heartfelt welcome if our country's enterprises would advance into the Philippines in the construction and electronic sectors, and the like. He established a measure to permit only our banks—out of many foreign banks that filed applications to advance into the Philippines—to begin operations on a priority basis in his country to ensure our country's enterprises will have appropriate support for their activities within the Philippines.

Indonesian President Suharto discussed the question of our enterprises actively participating in various fields, including automobiles, in relation to Indonesia's Sixth Five-Year Economic Development Plan, which began this year. He asked that our enterprises actively participate in those fields.

There are about 350 ROK enterprises already operating in Indonesia. We felt reassured upon learning that those enterprises employ approximately 300,000 local people.

I am convinced that our economic cooperation with Indonesia will continue in a more intensive and substantial way in the future.

On the issue of redirecting Australia's foreign relations from Europe to the Asian region, Prime Minister Keating displayed much friendship in consideration of the special partnership relationship with the ROK.

He promised to give favorable consideration to issues ranging from cooperation in (?resources) and ultramodern industries to tourism and the issuance of visas for temporary employment. I believe that these issues will be discussed in a business-like manner at an upcoming ministerial meeting and there will be results shortly.

The APEC meeting held in Jakarta is a forum in which I keenly felt that our civilian government is winning a high level of status in the international community. The international order has changed and the chiefs of state from various countries are giving priority to the interests of their own individual countries. The forum is also a place where a new world economic order—through competition and cooperation—is beginning to be formed.

The top leaders from the member states participating in the APEC meeting asked me to coordinate the conference if it is placed in a difficult situation. The only amendment we put forward—out of the various amendments proposed by each country—was adopted.

It gave me great pleasure and happiness that I was able to participate positively in creating trade liberalization and order in the new Asian-Pacific region based on trust and friendship among the leaders.

The unilateral exercise of influence by one country can no longer work. During the conference I served as a coordinator between the advanced and the developing countries. In the course of this role, I deeply felt the greatness of the support of the people. Regarding this, once again I extend thanks to all people.

Despite the friendship and cooperation among the top leaders, they were desperately making efforts, without looking back, to maximize their countries' own interests and to gain economic profit for their country. We should look squarely at this cool and cold- hearted international community.

All countries are working to survive today and, also, are more vigorously making efforts for the prosperity of the next generation. If we fall behind in this race, by even one step, we will become stragglers unable to catch up. This will also be recorded by the next generation as a crime of history.

The goal we should pursue at this moment is to move toward the future and the world. We should become international. The Korean peninsula issue was discussed during the summit talks among the ROK, the United States, and Japan. Our issue is a global matter. In other words, the world is linked to our issue. We should seek an opportunity to promote exports, investment, and economic and manpower exchange by becoming international. We should make efforts to formulate the framework of our goals from the perspective of a world man. We should create a dynamic country by concentrating all our efforts on becoming international. I am convinced that this is the only way to bequeath our proud fatherland to our next generation.

Today, a considerable degree of change and reform are taking place in the world. Facing this reality, we must seriously ask ourselves who are the Koreans and where we are headed. Thank you.

Kim Yong-sam Meets Leading Government Figures

SK2111073894 Seoul YONHAP in English 0733 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—President Kim Yong-sam had lunch Monday [21 November] with top figures from the legislative, judicial and executive branches to explain the outcome of his summit diplomacy during the Asia-Pacific Economic Cooperation (APEC) summit and his three-nation tour and to discuss state affairs and his recent globalization declaration.

Attending the luncheon meeting at Chongwadae [presidential offices] were Premier Yi Yong-tok, House Speaker Hwang Nak-chu, Chief Justice Yun Kwan, Constitutional Court President Kim Yong-chun and ruling party chairman Kim Chong-pil.

At the APEC summit and on the president's trips to the Philippines, Indonesia and Australia, great interest was shown in Seoul's economic diplomacy, Presidential

Spokesman Chu Ton-sik quoted Kim as saying. "We must firmly grab this opportunity," the president reportedly said.

Explaining the globalization scheme announced during his overseas tour, the chief executive stressed, "We must make the most of this chance when the mood ripens in various aspects."

Kim's recent summit diplomacy has produced good results and helped enhance the nation's prestige abroad, the spokesman quoted the participants as saying.

Parties Make 'Little Progress' on Summit

SK2111055194 Seoul YONHAP in English 0501 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—The ruling and opposition parties are poised to act separately after making little progress on a summit between President Kim Yong-sam and Democratic Party (DP) leader Yi Ki-taek to discuss the military incident of 1979.

The two parties met over the weekend to seek a breakthrough in the political impasse but failed to reach agreement on the agenda at the summit, originally scheduled for Monday.

First State Minister for Political Affairs So Chong-won and Rep. Kang Chang-song of the DP were unable to end the political confrontation triggered by the opposition party's boycott of parliament, demanding the indictment of those allegedly involved in the Dec. 12 "military rebellion" of 1979.

Political observers said Monday the parties are feared to slug it out unless a dramatic resolution is found.

As a result, the ruling Democratic Liberal Party (DLP) stood ready to operate the National Assembly unilaterally Monday by holding informal meetings of standing committees without DP members.

Meanwhile, DP Chairman Yi will hold a press conference Wednesday or Thursday in an apparent bid to intensify his party's extra- parliamentary activities, including a massive rally with dissidents against the prosecution's stay of indictment of the "military rebels" involved in the Dec. 12 incident.

The ruling party is moving to convene assembly standing committees toward the end of the week to deliberate next year's budget bill if there is no progress on a Kim-Yi summit.

DLP Chairman Kim Chong-pil hinted at unilateral operation of the assembly Monday, saying this might invite criticism but should be done to handle state affairs.

DLP floor leader Yi Han-tong said his party will begin deliberating major state issues and bills from this week through informal meetings of the standing committees.

Reaffirming the party's earlier decision, a DP supreme council members' meeting Monday decided to urge the government to reverse the prosecution's decision on the military incident.

DP Chairman Yi took a negative view of the summit, saying "what matters more is the prosecution's withdrawal of its earlier decision rather than the holding of the summit."

DLP on Promoting Second-Phase Government Reform

SK2111060894 Seoul YONHAP in English 0512 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—The ruling Democratic Liberal Party (DLP), in line with President Kim Yong- sam's globalization declaration, plans to promote administrative reform.

DLP Policy Committee Chairman Yi Se-ki told an expanded party post-holders' meeting Monday that "reform of the administrative structure will be promoted to boost efficiency, particularly in foreign affairs, trade and industry" as a means of boosting the nation's competitiveness.

The government party's chief policy coordinator, Rep. Paek Nam- chi, also said, "It is high time to boldly push the hitherto withheld second stage of administrative reform."

The second-phase reform plan calls for consolidating functions now duplicated among ministries and merging some ministries.

Plans under study envisage having external trade affairs be handled exclusively by the Foreign Ministry, getting the Trade, Industry and Energy Ministry to manage manufacturing technology field, and incorporating in the Finance Ministry the functions of the offices of bank, securities and insurance supervision, according to party sources.

Also being studied are schemes to merge the Communications and Science-technology Ministries into an Information and Communications Ministry, the Transportation and Construction Ministries into a Social Infrastructure Ministry, and the Labor and Environment Ministries into a Social Welfare Ministry.

Proposed 1995 Defense Budget Detailed

SK2111071494 Seoul YONHAP in English 0655 GMT 21 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP)—The South Korean defense budget for fiscal year 1995, submitted to the National Assembly for approval, stands at 11,074.4 billion won (about 13,843 million U.S. dollars), up 9.9 percent from the current year's 10,075.3 billion won (12,594 million dollars).

The proposed defense budget comprises 7,847.7 billion won for management and maintenance including operation of military facilities, up 11.5 percent from the current year, and 3,226.7 billion won to maintain fighting capability used for investment in beefed-up fighting forces, up 6.2 percent.

Reporting next year's draft military budget to the National Assembly Defense Committee, Defense Minister Yi Pyong-tae said Monday that emphasis was placed on "promoting such fighting capability maintenance as may effectively cope with the existing North Korean threat and future security environment, and securing qualified professional manpower needed for the conduct of a modern war and reinforced national competitiveness."

Yi added that special consideration was given to improving servicemen's duty environment with a view to boosting morale, and to expanding anti-pollution facilities with the aim of preserving the environment.

In the area of management and maintenance expenditure, 208.6 billion won was added to boost morale and improve military personnel's welfare. Monthly noncommissioned officer allowance would be increased from 70,000 won to 80,000 won.

The expenditures also include 97.3 billion won for equipment maintenance, 50.6 billion won for expanded training, 14.7 billion won for additional pollution-control facilities, 26.2 billion won for reinforced reserve strength and 39.5 billion won for repairing obsolete facilities.

As for fighting capability maintenance expenditure, 1,511.5 billion won has been earmarked for the purchase of such core fighting equipment as combat aircraft and submarines, 806.9 billion won for essential basic fighting forces, 133.9 billion won for the reinforcement of existing fighting forces, 302.2 billion won for improved war capability, 30.5 billion won for improved information capability and 187.7 billion won for fixed expenditures such as loan reimbursement.

Cambodia

KR Radio on Christopher's Visit to Thailand

BK1811135294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 18 Nov 94

[Unattributed commentary: "The Visit to Thailand by Warmonger Warren Christopher, the U.S. Secretary of State, Will Be Another Failure"]

[FBIS Translated Text] On 17 November U.S. Secretary of State Warren Christopher came to Thailand. Reports say that he came in order to:

1. Pressure Thailand into accepting the arms stockpile that the Royal Thai Government and the Thai people have already rejected. This guy is so cheap and thick-skinned that he came anyway.

2. Prepare the 17th dry season offensive in collaboration with communist Vietnam in order to attack the people and Democratic Kampuchea from behind and kill and exterminate the Cambodian nation and people. Various diplomatic sources, however, indicate that the two objectives of the opium-addicted Christopher cannot be achieved. Thailand and other ASEAN countries are clearly aware of the dirty and dark policy and strategy of the United States in requesting the establishment of an arms stockpile on Thai territory. It is intended for the United States to use, in collaboration with communist Vietnam, to continue fueling the war to destroy national reconciliation and peace in Cambodia—a war Thailand and countries in the region have consistently opposed over the past 15 years or more. Furthermore, Thailand and the ASEAN countries do not need the United States to police and control this region. Thailand has already rejected an arms stockpile on its territory. Indonesia and Malaysia have also categorically refused to accept one. When Clinton went to the Philippines, he was noisily chased out. The people in the Philippines shouted: Out, warmongers! The Philippine people do not need you!

The antiwar trend in demand of peace and the force opposing France and Australia—who have collaborated with communist Vietnam to continue fueling the war to massacre and exterminate the Cambodian people and race—is gaining momentum and becoming more influential in Cambodia, the region, and the world. Nothing can stop this force. Communist Vietnam; the villainous Western allies; and their lackey, the two-headed government, will certainly be defeated and ruined soon.

Further Comment on Christopher Visit

BK1911135594 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 19 Nov 94

[Unattributed commentary: "Some Views on the Visit to Thailand by U.S. Secretary of State Warren Christopher"]

[FBIS Translated Text] There are reports saying that U.S. Secretary of State Warren Christopher came to Thailand in order to:

1. Propose an agreement to allow the United States to set up a military base in Thailand;

2. Discuss the control of the Cambodian-Thai border.

We will not interfere in the affairs of other countries because they are a matter of those countries' sovereignty. We would, however, like to express some views as a country and as the Cambodian people, who have a right to their sovereignty and their nation's life. We are of the view that:

1. The Clinton administration has sought to establish sea-based weapons stockpiles in the Gulf of Thailand. Thailand has categorically rejected this. Malaysia, Singapore, and Indonesia have also rejected the presence of weapons in the region.

2. The Clinton administration remains thick-skinned, however, and dispatched Warren Christopher to raise this issue again. This came on the heels of opposition and rejection by countries in the region. This shows that the U.S. Clinton administration does not love peace, democratic rights, freedom, or human rights. It is a warmonger and acts like a police chief intimidating small countries. If the United States succeeds in setting up military bases with weapons in the region, it will be in a position to harass and threaten others at will.

3. These weapons are primarily intended to fuel the war in Cambodia because U.S. military forces, along with those of France and Australia, are already operating in Cambodia. This is the primary goal—to continue fueling the war in Cambodia. This also affects regional security, peace, and stability. If any country complains or opposes the United States, the United States will use military force to attack them. This is what is referred to as the new cop in the world and in Southeast Asia.

Warren Christopher's proposal runs counter to ASEAN principles, which seek a peaceful atmosphere in the region in order to build and develop the economy. ASEAN has a commission to check on and build security and peace in the region. The United States and the Western powers are aware of these principles. Why does the United States trample on these principles? It is because the United States is belligerent and wants the blood of small and weak countries and people.

We would like Warren Christopher to look at history, both old and recent—old history like the war in Vietnam; and recent history like the wars in Somalia, Bosnia, and so on. The United States should not aspire to become a supercop. At the end of the 20th century, the countries and peoples in the world, particularly in the Third World, love their countries, nations, and people. They need to protect and safeguard their nations. They want peace. They want to coexist peacefully and correctly in accordance with the UN Charter and international law. Warren Christopher, do not violate international law and the UN Charter the way the United States used to violate countless countries all over the world.

Khmer Rouge: U.S. Aid Unable To Save Government

BK2111032994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Nov 94

[Unattributed commentary]

[FBIS Translated Text] Last week the United States summoned Tea Chamrat, defense minister of the two-headed government, to Washington, where he was questioned about the corrupt and demoralized two-headed army.

After meeting with his bosses, Tea Chamrat said he had not sought to get any additional aid from the United States, but hoped the United States would give it to him anyway. He said the United States is giving only $1 million in military aid annually to the two-headed government. But what is the truth? During the past rainy season alone, the United States provided the two-headed government with 100 M-113 armored personnel carriers, thousands of M-16 guns, ammunition, and a lot of other war materiel. Besides, the United States has provided money to cover the army's salaries and bankrolled military operations to the tune of at least $200 million. Therefore, Tea Chamrat should never try to deceive other people; no one will believe him.

On the other hand, no matter how much the United States is giving to the two-headed government, it is of no use, as the two-headed government's bigwigs throughout the echelons have lined their pockets with the bulk of this money while the rank and file remain destitute and are forced to desert everyday, thereby steadily weakening the two-headed government.

It was for this reason that the United States summoned Tea Chamrat to Washington, planning to give additional aid to the two-headed government. However, most people say that the arms factor is not important. If the two-headed elements remain as worthless, traitorous, and corrupt as they are now, no matter how much they receive in arms and aid from the United States, they will be unable to escape the same disastrous defeat of 1975.

Khmer Rouge Criticize U.S. Plan for Arms Depot

BK2011160494 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Nov 94

["Short Article": "The Cambodian People and the Peoples and Countries in Southeast Asia and Asia Who Long for Peace Do Not Want the American Vultures To Set Up Arms Depots and Military Bases"]

[FBIS Translated Text] The countries of Southeast Asia and Asia including Thailand, Indonesia, Malaysia, Singapore, and other ASEAN states and China, vehemently reject the attempt by the United States to set up arms depots and military bases on their territory or in this region. They do not want fire to burn their houses or in adjacent areas. They have rejected all the proposals by Clinton; Macke, commander in chief of the U.S. Pacific Forces, and Christopher.

Nevertheless, those vultures are most insolent and fascist. They do not observe international law and the rights and sovereignty of any countries. Christopher made a threat in Bangkok that he was not happy with Thailand's refusal to allow the United States to set up arms depots on its territory. The vulture insolently added that new circumstances would arise in Thailand and that Thailand would then accept the U.S. arms depots. Christopher's language is the language used by the group of aggressor bandits and fascist warmongers.

What are the new circumstances referred to by vulture Christopher mean? The new circumstances clearly indicates a situation where the United States has stirred up other people's inner circles and broken up their nation in a bid to create new conditions for their strategy, policy, and economic monopoly.

What is the United States' aim in setting up arms depots and military bases in the Gulf of Thailand and Southeast Asia? The general public has clearly seen the following aims of American strategy and tactics. They are:

1. To allow the United States to organize and send reinforcements to Cambodia to intensify the war in the country;

2. To show its on-site muscles to put pressure on the region, thereby allowing it to become the master controlling the seas between the South China Sea and the Straits of Malacca.

The Cambodian people and the peoples in the countries in Southeast Asia and Asia who long for peace do not want the U.S. arms depots and reinforcements in the region. The region's nations and peoples have not yet forgotten their direct or indirect sufferings from the first U.S. war of aggression. They do not want the United States to invade for the second time. They have the right to fight to live in peace and national unity in their homes, country, and region. The United States should learn from history, both old and recent.

Khmer Rouge Commentary on 'Alliance' Role

BK2111062194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Nov 94

[Unattributed commentary: "Those Who Like To Fan the Flames of War Will Certainly Have Their Heads Burned"]

[FBIS Translated Text] The current situation concerning the war in Cambodia and the region is part of a pattern and implicates communist Vietnam and the communist Vietnamese puppets as well as UNTAC [UN Transitional Authority in Cambodia] and the villainous alliance, which use the two-headed government as their tool. They destroyed the Paris accord; they shredded it, that is:

1. They did not control the pullout of all categories of Vietnamese forces from Cambodia; they repeatedly claimed that there were no Vietnamese, but they maintained the presence of Vietnamese forces to further invade and occupy Cambodia. Along with this, they allowed the Vietnamese to flow into Cambodia at will; they issued Cambodian identity cards to the Vietnamese, qualifying them to vote in Cambodia.

2. They opposed the quadripartite national reconciliation. They only made arrangements for two parties, that is, they preserved the traitorous puppet regime, then stuffed other parties into it. They repeatedly manipulated elections. They installed the two-headed government to prolong the war against the Cambodian nation and people and the patriotic resistance forces. This being the case, peace is still nonexistent in Cambodia. It is because of communist Vietnam, the communist Vietnamese puppets, and the villainous alliance that the war still goes on in Cambodia. UNTAC's spending of over $2 billion and its sending of 23,000 forces to Cambodia were futile because the war continues to flare up and the Cambodian nation and people continue to suffer miserably.

Nevertheless, the nation and people will continue to fight until the present-day two-headed government, the tool of communist Vietnam and the western alliance, collapses. Seeing that the government is disintegrating on all fronts, the villainous alliance has become more directly involved in the Cambodian war. It is providing military advisers and setting up a command post in Cambodia, and painstakingly amassing money for the two-headed government to buy tanks, armored carriers, cannon, and guns for further attacks against the Cambodian nation and people and the resistance forces.

The more the alliance becomes involved, the deeper it becomes bogged down. And if they strive to get more involved, they will certainly be wounded or disabled, or go missing. History shows that aggressors can never escape such a tragic fate.

KR Calls Ing Huot 'Whipped Dog' of Australia

BK2111052794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Nov 94

[Unattributed commentary: "Who Is Ing Huot?"]

[FBIS Translated Text] Ing Huot is purely and simply the excrement of the villainous alliance and communist Vietnam, who have propped him up in the Foreign Ministry to give themselves carte blanche to kindle the flames of war in Cambodia.

During the past few days, traitor Ing Huot has issued many statements and communiques attacking the Cambodian nation and people. In particular, behaving like a whipped dog, he barked at anyone on the cue of his boss Gareth Evans in Australia.

Who is this Ing Huot? He is purely and simply the excrement of the villainous alliance and communist Vietnam. The villainous alliance and communist Vietnam have installed this turd in the Foreign Ministry to give themselves free reins. This turd obeys and serves chief assassin Gareth Evans 100 percent. He also obeys and serves chief assassins John Holloway and Sue Downie, who are Australians and function as his immediate bosses in the Foreign Ministry.

At the command of his bosses, Ing Huot opposes national reconciliation and peace in Cambodia and pushes for a continuation of the conflagration in this country. He is like traitor Keat Chhon, who has been installed in the Finance Ministry so that the alliance and communist Vietnam can have a free hand with the budget to buy arms for the massacre of our nation and people. These turds, not unlike other traitors in the history of Cambodia and the world, will not last very long.

Co-Defense Minister Hopes for More U.S. Aid

BK2011112394 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 20 Nov 94

[FBIS Translated Text] Tea Chamrat, co-minister of national defense of the Kingdom of Cambodia, has said he hopes that the United States will provide additional aid to the Khmer Royal Armed Forces [KRAF]. The defense minister said this following a meeting with a high-ranking U.S. official during his week-long visit to the United States. He added that he did not ask the U.S. secretary of defense to provide arms to the KRAF, and that a group of U.S. officials was conducting a study on the provision of (?additional) nonlethal military aid to the Cambodian Army.

The United States is currently providing nonlethal military aid [words indistinct] to the KRAF. Most of the assistance consists of training the KRAF in the fields of engineering and mine clearance. During his visit to Cambodia in October, Admiral Richard Macke, commander in chief of U.S. Pacific forces, said the United States would not consider providing arms aid to Cambodia until after the KRAF is reformed.

'Around 150' KR Troops Reportedly Defect

BK2111073394 Hong Kong AFP in English 0703 GMT 21 Nov 94

[FBIS Transcribed Text] Phnom Penh, Nov 21 (AFP)—Around 150 Khmer Rouge [KR] guerrillas have defected to the government in Cambodia's southern province of Kompong Speu and northwestern province of Siem Reap, state-run television and government officials said Monday.

Colonel Rin Ravi, based in Sre Klong, 70 kilometers (43 miles) southwest of the capital, told state television that 36 rebels had handed themselves in, along with 37 guns, three walkie-talkies, seven oxcarts and 25 cows, on Saturday. Among the group was the deputy commander of Khmer Rouge Division 305, while four others were officers, the colonel said.

Meanwhile, some 120 guerrillas from Khmer Rouge Division 980 also defected last week in Siem Reap province, Deputy Governor Hem Bunheng told AFP and diplomats this weekend. The defectors had been based in the guerrillas' stronghold of Phnom Kulen and were under the command of Ta Mok, the notorious one-legged Khmer Rouge commander, he said.

Co-Minister of Defence Tie Banh said there were a number of factors leading the guerrillas to defect.

"One of the main reasons behind the defections is that many Khmer Rouge guerrillas are hungry and tired of living in the forest with few supplies," Tie Banh told AFP.

Another important factor was a tough bill that formally outlaws the guerrillas and provides for stiff prison sentences for insurrection is due to come into effect shortly, he said. The bill was passed by parliament in July, but allowed for a six month amnesty.

"The outlaw bill will take effect early next year," Tie Banh said. "They know that we offered them amnesty and that we will promote them in our army if they defect now...so it is a good time for them to cross over."

A large group of Khmer Rouge forces similarly surrendered to the government last month, some of whom later joined Phnom Penh forces in attacks on hold-out guerrillas.

First Prime Minister Prince Norodom Ranariddh told reporters in Siem Reap over the weekend that there were no plans for any major dry season offensives against the Khmer Rouge's strongholds in the north and northwest of the country.

The government, however, would take action to try to wipe out the smaller Khmer Rouge bases—described by King Norodom Sihanouk as "leopards spots"—which are scattered throughout much of the rest of the country.

Tie Banh said that the discipline and morale of the government troops was improving and that the guerrillas in remote bases were worried.

"The Khmer Rouge (rebels) in isolated areas know that we will not allow them to live peacefully in our legal territory, so they are defecting," he said.

Indonesia

Military Chief Rejects Idea of U.S. Bases

BK1911153894 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 19 Nov 94

[FBIS Translated Text] Indonesia will strongly reject any request by the U.S. Government to establish a military base in any of the country's regions. This rejection was announced by Armed Forces chief General Feisal Tanjung to a number of local and foreign reporters in Jakarta today. The Armed Forces chief gave his reasons for the rejection:

[Begin Tanjung recording] It is because we want Indonesia to remain a free, neutral, and peaceful country. If there was a superpower (?base) in our region it would affect regional stability. [end recording]

Speaking about the program to purchase some weapons and equipment from Germany and Britain, General Feisal Tanjung said it is not aimed at increasing ARBI's [Armed Forces of the Republic of Indonesia] strength but at replacing a number of ABRI weapons that are 30-40 years old.

U.S. Human Rights Approach Called 'Unwise'

BK2011145094 Jakarta KOMPAS in Indonesian 18 Nov 94 p 2

[Editorial: "Human Rights Is Our Own Struggle"]

[FBIS Translated Text] Let us quote reports published in this newspaper yesterday. "Only one day after the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting ended in Bogor, U.S. businessmen on Wednesday 'pocketted' U.S. $40 billion or 80 trillion rupiah worth of joint-venture contracts with Indonesia. The 16 project contracts were signed by U.S. Commerce Secretary Ronald H. Brown and eight cabinet ministers of the Republic of Indonesia."

This was the first event. The second was the refusal by the Indonesian Legal Aid Board and the Human Rights Studies Center to attend a luncheon with U.S. Deputy Secretary of State Winston Lord at the residence of U.S. Deputy Ambassador Barbara Sillars Harvey. Adnan Buyung Nasution and Mulya Lubis cited reasons for their refusal. "The luncheon will be just a political formality" and "the U.S. Government is not consistently defending human rights...because the United States has great economic interests in Indonesia."

There was a third event. The National Commission on Human Rights held a meeting with U.S. Secretary of State Warren Christopher and Commerce Secretary Ron Brown at the residence of U.S. Ambassador Robert Barry. The National Commission on Human Rights was represented by Prof. Miriam Budiarjo, Prof. Charles Himawan, Marzuki Darusman, Dra. [academic title] Rukmini, Mrs. Aisyah Aminy S.H. [academic title], Dr.

Albert Hasibuan, Drs. [academic title] Bambang Suharto, and Clementino dos Reis Amaral.

The meeting was designed to give input to the United States about human rights, particularly to U.S. officials who are compiling a country report [preceding two words in English] on Indonesia. As their materials and information are not complete, Marzuki Darusman said: "We explained to them things they should know so as to achieve a mutual understanding."

Links between the economic interests and human rights figured prominently during President Clinton's visit to Indonesia. He raised the matter during a speech before the business community at the Convention Hall on Wednesday afternoon.

He explained and defended his policy that U.S. business links with other nations—he probably referred to such nations as the PRC and Indonesia—will in turn benefit the struggle for human rights. Those nations will be open and economic progress must inevitably be accompanied by political progress.

The three above-mentioned events—the signing of the economic contracts, the refusal by the human rights bodies to attend the luncheon, and the meeting between the National Commission on Human Rights and the U.S. secretary of state—underscores the currency of links between economic cooperation and the struggle for human rights.

What can we digest? Clinton's concentration was in fact not in Indonesia while staying here but rather in his homeland. His speeches and press interviews were not directed at the public in Indonesia or other nations but rather at the American public.

The outcome of the APEC meeting in Bogor has benefitted U.S. trade. Economic cooperation enhanced during his Indonesian visit will create jobs for Americans and increase their production and trade.

The U.S. president from the Democrat Party has just suffered a serious blow. The party lost overwhelmingly to the Republican Party in the mid-term election, which captured a majority of seats in both the House of Representatives and the Senate for the first time in 40 years. It also captured the governorship of major states.

The defeat has been mainly attributed to President Clinton, who has problems with U.S. voters. He will now have problems with the Republican Party-controlled Congress.

President Clinton must again concentrate on efforts to achieve a a more appropriate and effective change for the Americans, particularly in the economy.

He must concentrate on domestic economic considerations rather than paying attention to human rights in other nations, partly because of such a necessity and partly because he must cooperate with the Republican-controlled Congress. The Republican Party has been more conservative and pragmatic.

We feel that President Clinton's domestic problems influenced the nuances of his political behavior in Indonesia, particularly on economic interests and human rights. All were given attention, but their weight and priority have shifted.

The U.S. approach is unwise. For example, why should have they made the following distinction—the secretary of state met the National Commission on Human Rights, while the deputy secretary of state met the Indonesian Legal Aid Board and the Human Rights Studies Center? Why did they not hold one simultaneous meeting so that more inputs and richer nuances could be obtained?

The NEW YORK TIMES daily ran an editorial to welcome the APEC meeting in Bogor some time ago. The editorial was entitled "Two Faces of Indonesia" [preceding four words in English]. On the first face, there is economic progress and openness toward free and open trade. On the second face, the government is considered authoritarian and there have been problems categorized as human rights problems.

The views and approach have once again become controversial. Are they two different and separate faces or the two faces of the same coin? The two faces must be interpreted in a sequence or in the context of an interaction.

At least, the establishment of the National Commission on Human Rights, as an example, shows that Indonesia has chosen interaction in its approach to human rights. This means that development and economic progress must be simultaneously accompanied by the development of and respect for human rights.

This approach objectively recognizes the complexity of the issue as well as the emergence of subjective clashes, tug-of-wars, and collision. Here, nongovernmental organizations such as the Indonesian Legal Aid Board can play their role as moral forces.

Finally, why must we be disappointed with President Clinton's attitude? Maybe, we are simply irritated or sad because the United States likes waving the human rights banners in a demonstrative manner. We must remember that national interests will finally become the decisive factor for the nations of the world.

For our part, our true national interests require us to commit ourselves to continuing efforts to develop, respect, and protect human rights as well as prevent major or minor human rights violations.

The principles of just and civilized humanity and development of human beings in their totality in a country based on law instead of power have obviously mandated us with the task of developing, respecting, and protecting human rights. We are challenged to further enhance the quality and totality of their realization.

Official: No High-Level Talks on Embassy Sit-in

BK1811131294 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 18 Nov 94

[FBIS Translated Text] Aishah Amini, chairman of Parliamentary Commission I, said in Jakarta today that the case of the East Timor youths continuing their sit-in protest at the U.S. Embassy compound in Jakarta has no influence on Indonesia. She said efforts to solve the problem need not be discussed at a high-level meeting.

Aishah Amini said that the East Timor youths who are demanding the release of Xanana Gusmao, former leader of the Security Disturbance Movement, have no connection with Xanana. She said the East Timor youths have no knowledge and understanding of the meaning of integration, which was the vision of their older generation, and perhaps their presence at the U.S. Embassy compound has been instigated by another group.

On efforts to solve the problem, Aishah Amini, who is also a member of the National Commission on Human Rights, said it is up to the U.S. Embassy officials to decide. But if the U.S. Embassy hands the duty to the Indonesian Government, the case will be dealt with accordingly.

Meanwhile, the East Timor protesters at the U.S. Embassy told newsmen in Jakarta this afternoon that they desire a dialogue session with the Indonesian Government and have asked the U.S. Embassy to act as a mediator.

ABRI: No Foreign Involvement

BK1911075994 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 19 Nov 94

[FBIS Translated Text] The Armed Forces of the Republic of Indonesia [ABRI] has found no proof of any foreign involvement in the entry of 29 East Timorese youth into the U.S. Embassy in Jakarta while the APEC [Asia-Pacific Economic Cooperation] meetings were underway last week.

ABRI Commander General Feisal Tanjung disclosed this during a dialogue with domestic and foreign journalists in Jakarta today. The armed forces commander said the East Timorese youth initiated the action themselves due to the absence of a spirit of nationalism. According to the ABRI commander, they will still be readmitted as good citizens if they leave the embassy compound.

Touching on how the East Timorese youth managed to sneak into the embassy compound despite tight security prior to the APEC leaders meeting, Gen. Feisal Tanjung said the ABRI has never held any prejudice against any citizens, and accordingly did not deem it necessary to take special security precautions against such a possibility.

Timorese Reject Asylum Offer

LD1811172294 Lisbon Radio Renascenca in Portuguese to Europe 1600 GMT 18 Nov 94

[FBIS Translated Text] The East Timorese occupying the U.S. Embassy in Jakarta today rejected Portugal's offer of asylum. Their spokesman, Domingos Sarmento, said that the purpose of the group's action is not to secure asylum but rather to demand the release of [resistance leader] Xanana Gusmao. Sarmento said that only Sarmento can represent the East Timorese in any negotiations with Indonesia on the territory's independence.

Five Protesters Reportedly Ill

BK2111122094 Jakarta ANTARA in Indonesian 1043 GMT 21 Nov 94

[FBIS Translated Excerpt] Jakarta, 21 Nov (ANTARA)—Five of the 29 East Timorese protesters who entered the U.S. Embassy compound in Jakarta on Saturday (12 November) are ill, and one has been rushed to the Friendship Hospital in Jakarta.

Speaking on Monday, Domingos, who serves as spokesman for the East Timorese youths in Jakarta, said four of the five ill friends remain at the U.S. Embassy compound. There have been indications that they are suffering from typhoid.

The other youth, Arlindo Frietas de Araujo Fernandez, is being treated at the Friendship Hospital in Jakarta after failing to receive treatment at the MMC [Metropolitan Medical Center] and the Medistra Hospital in Jakarta the day before.

Domingos said that Arlindo is accompanied by another protester, Boa Ventura, and added that he is unsure if his ill friend will rejoin them at the U.S. Embassy. [passage omitted]

He said that 27 protesters remain at the U.S. Embassy in Jakarta. They have not decided whether or not to accept the Portuguese Government's offer of political asylum.

Domingos added that they wanted to hold a dialogue with Foreign Minister Ali Alatas.

ANTARA has observed that the East Timorese youths are not in good health. They look tired and pale. The youths are no longer speaking enthusiastically, unlike in previous days, and many of them are sitting with their faces down.

Timor Police Chief Blames Reporters for Unrest

BK1911085394 Hong Kong AFP in English 0349 GMT 19 Nov 94

[FBIS Transcribed Text] Jakarta, Nov 19 (AFP)—Indonesian authorities in the former Portuguese colony of East Timor will expel an Australian tourist from the territory after he was discovered in the middle of violent protests, an official said Saturday. The Australian, identified as Andrew McNaughtan from Brisbane, is expected to leave for the resort island of Bali later Saturday, immigration official Yohanes Triswoyo told AFP by telephone from Dili, East Timor's main town. McNaughtan, was found being beaten by "several East Timorese youths who oppose the presence of foreign journalists in East Timor" during demonstrations in Dili on Friday, Triswoyo said. He added that McNaughtan, who arrived in East Timor on a two-month tourist visa on November 16, had suffered no injuries.

The demonstration occurred when about 100 young East Timorese unfurled banners and placards outside Dili Cathedral, where up to 500 people had gathered to attend a mass before the cameras of the international media. The protestors were demanding an end to Indonesia's 18-year occupation of their territory and calling for the release of jailed East Timorese guerrilla leader, Xanana Gusmao. Police fired several canisters of tear gas before reinforcements were called and the church yard sealed off. Several people were injured in the protest.

Foreign reporters, who had taken the rare opportunity to go to Dili after the Asia Pacific Economic Cooperation forum summit in Bogor last week, were chased down the street by club-wielding riot police and took refuge in an Indonesian family's home. There were no arrests among the foreign media.

The three-hour stand off—the fourth disturbance to rock the enclave in the past week—ended only after the Roman Catholic Bishop of Dili, Carlos Ximenes Felipe Belo, negotiated an end to the siege, an independent source and a military spokesman said.

Meanwhile, East Timor Police Chief Sugianto Andreas said by telephone from Dili, that the situation in Dili had returned to normal on Saturday, and blamed foreign journalists for fueling protests in the enclave. He added that police were investigating a foreign journalist found in possession of eight anti-Indonesian banners in his bag.

"It is against the law to conduct political activities in other people's country," he said.

Bishop Expresses 'Regret'

BK1911155294 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 19 Nov 94

[FBIS Translated Text] Bishop Carlos Ximenes Belo, the East Timor Christian community leader, has expressed his regret over the incident in which East Timorese youths carried protest banners on the grounds of the Dili Cathedral. He expressed his regret when he met with the youths during a dialogue session yesterday. The youths conducted a sit-in in front of the Dili Cathedral yesterday. Bishop Belo expressed his displeasure with the presence of youths carrying anti-integration banners at the cathedral, which is a place of worship.

ABRI Commander Comments on East Timor Youth

BK2011130394 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 20 Nov 94

[FBIS Translated Text] General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], has stressed the importance of improving the approach toward the younger generation of East Timorese. In a news release, the ABRI Information Service says the ABRI commander expressed this idea when he received Lopez da Cruz, roving ambassador of the Republic of Indonesia, at the ABRI General Headquarters in Jakarta.

On the occasion, Gen. Feisal Tanjung said the nation pins its hopes on the younger generation of East Timorese, which includes youths, school students, and college students. They are expected to continue development, particularly in East Timor. The approach toward the East Timorese youth should be improved so that the youths—particularly those studying outside of East Timor—will not be easily influenced by foreign groups that simply use the East Timorese youth for their own interests. Their moves are definitely unfavorable to Indonesia, particularly East Timor.

According to Ambassador Lopex da Cruz, over 2,000 East Timorese youth studying outside of East Timor are ready to return home to develop their own region.

PRC's Jiang Zemin Encourages Mutual Investment

BK1911084294 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Nov 94

[FBIS Translated Text] The PRC Government will welcome Indonesian businessmen seeking to invest in China and in return will encourage Chinese businessmen to invest in Indonesia. Speaking during a dinner reception hosted by the Indonesian Chamber of Commerce and Industry and the Indonesia-China Institute for Economic, Social, and Cultural Cooperation in Jakarta last night, PRC President Jiang Zemin said the PRC Government always calls for mutual investment between the PRC and other nations on the basis of mutual benefit.

According to President Jiang Zemin, the volume of Sino-Indonesian trade has continued to increase since the resumption of relations between the two nations. From January to August 1994, the trade volume increased by 27.9 percent, or $1.49 billion, compared to the same period the previous year.

Dailies Urge Solving Problems With China

BK1811122794 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 18 Nov 94

[From the "Press Review"]

[FBIS Translated Text] MEDIA INDONESIA underlines the talks between President Suharto and PRC President Jiang Zemin that took place in Jakarta today. The daily says special attention must paid to the talks between the two heads of state, especially when they are connected to bilateral ties between the two countries.

Even though diplomatic relations between the two countries were normalized five years ago, we must admit that not all problems involving the two countries have been solved.

The daily notices that China has been very cautious in stepping up ties between the peoples of the two countries. This is especially so when we base our view on the issues of withdrawal of capital from Indonesia to China, and the return of some Chinese to their homeland when they were formerly residents of Indonesia.

Another disturbing factor is that the trade balance between the two countries still remains in Beijing's favor.

BERITA YUDHA says that the meeting between President Suharto and PRC President Jiang Zemin is expected to foster closer bilateral ties and improve mutually beneficial cooperation between the two countries.

Iran's Aqazadeh on Visit; Comments on OPEC

LD2111120594 Tehran IRNA in English 1131 GMT 21 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, Nov. 21, IRNA—The Islamic Republic of Iran will agree with any proposal at the current OPEC meeting which would increase international price of oil, said Iran's Oil Minister Gholam Reza Aqazadeh[-Khoi] Sunday. Aqazadeh arrived in Indonesia earlier on the day to take part in the ministerial meeting of the Organization of Petroleum Exporting Countries, convening in Bali, Indonesia, Monday.

Stressing that price of oil is very low, Aqazadeh said that the meeting will review any proposal for a period of one year, six months and three months. Oil price reached dlrs. 16.97 per barrel in mid-November which is very far from the base price of dlrs. 21 set at previous OPEC meetings. Oil ministers of OPEC are due to discuss oil production ceiling and elect a new secretary general for the organization in Bali meeting.

Saudi Arabia has already demanded for the preservation of the present OPEC production quotas for the next year. So far Venezuela, Qatar and Nigeria have backed the proposal. Iran, a powerful OPEC member, has not voiced its views yet.

Analysts predict that OPEC member states would agree to stick to the present production quotas with regard to the increase in demands in the world market.

Former OPEC Secretary General Subroto said last week that the world demand for oil will reach 67 million barrels a day by next year, 25 million barrels of which are produced by OPEC countries.

Meanwhile, experts foresee that world demand for oil will grow by 1.3 million barrels by 1996. A major part of the increase is due to the rapid economic growth of the Southeast Asian countries.

Subroto's tenure as OPEC secretary general ended five months ago and at resent Iran, Nigeria and Venezuela have nominated for the post.

Iran's present ambassador to Tokyo and former deputy oil minister Hosein Kazempur-Ardabili is Iran's candidate for the post.

Editorial Reviews Reaction to Bogor Declaration

BK1811122394 Jakarta SUARA KARYA in Indonesian 17 Nov 94 p 5

[Editorial: "The Very Good Outcome of the Bogor AELM"]

[FBIS Translated Text] After the AELM [APEC (Asia-Pacific Economic Cooperation) Economic Leaders Meeting] in Bogor on 15 November, several leaders spoke to the media individually. Among them were U.S. President Bill Clinton (1993 APEC chairman), Japanese Prime Minister Tomiichi Murayama (1995 APEC chairman), Australian Prime Minister Paul Keating, Chinese President Jiang Zemin and Malaysian Prime Minister Mahathir Mohamed. During the interviews, the AELM leaders individually highlighted several important issues. One was their view that the APEC Economic Leaders' Declaration of Common Resolve [preceding seven words in English] adopted at the end of the AELM in Bogor was very good.

President Bill Clinton, for example, said that the outcome of the AELM was extraordinary. He warned, however, that regardless of the outcome the declaration is a mere collection of words if it is not implemented.

Japanese Prime Minister Tomiichi Murayama said that the consensus that was signed at the AELM in Bogor had produced something constructive. He hoped that trade and investment liberalization will bring concrete achievements to the region. Murayama stressed that even though one of the APEC member countries had commented on the free trade timetables (2010 for developed countries and 2020 for developing countries), the leaders at the Bogor meeting did sign the declaration.

Australian Prime Minister Paul Keating said that the draft of the declaration prepared by President Suharto is highly valuable. Still, what is puzzling to him is the part of the declaration on the interpretation of the enhancement of free and open trade and investment in the

Asia-Pacific region (item six). Keating said its arrangement would have to be explained at AELM III in Osaka, Japan in 1995.

Chinese President Jiang Zemin said that leaders at the APEC informal meeting had followed a consensus system in making the decision. Therefore, what was stated by President Suharto at the end of the meeting had been agreed upon by all the leaders.

The Malaysian prime minister said that President Suharto's draft of the declaration, later adopted at the end of the AELM, was very good. He said that the Bogor declaration was not rigid. This means the implementation of the goal of trade and investment liberalization will be in accordance to the levels of economic development of the APEC member countries.

The leaders at AELM II responded with a variety of remarks on the outcome of the meeting. Their remarks, of course, were based on the political interests of the respective countries. As chairman of AELM, President Suharto said that the implementation of the declaration is flexible. If the APEC member countries are ready to complete the achievement of free and open trade and investment in the Asia-Pacific region earlier than the dates set in the timetables, the pace could be quickened. President Suharto also cited the example of the implementation of AFTA [ASEAN Free Trade Area] for ASEAN.

What was adopted at the AELM in Bogor was a declaration on the common objectives of APEC member countries. Therefore, the most important thing to do is to take joint concrete steps to realize the objective through consensus. Otherwise, APEC member countries will be left behind in taking advantage of the agreement made at the GATT trade talks, which will be implemented with the formation of the World Trade Organization in the beginning of 1995.

Laos

DPRK Military Delegation Concludes Visit

BK1911140294 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Nov 94

[FBIS Translated Text] A high-level delegation of the Korean People's Armed Forces Ministry led by Comrade Vice Marshal Choe Kwang, Political Bureau member of the Workers Party of Korea Central Committee, chief of the General Staff, and acting minister of the Korean People's Armed Forces, ended a friendship visit to Laos on 18 November. The delegation left Vientiane at 1000 to visit the SRV by invitation.

An honorable ceremony was held at the Vang Sadet residence in the capital, Vientiane, to bid farewell to the delegation. Attending the ceremony were Comrade Lieutenant General Choummali Sai-gnason, Political Bureau member of the Lao People's Revolutionary Party Central Committee and minister of national defense of the Lao People's Democratic Republic [LPDR]; Chang Yong-chun, ambassador extraordinary and plenipotentiary of the DPRK to Laos; and a number of high-ranking officers. General Do Xuan Hoa, Vietnamese military attache to Laos, also attended.

During its visit to Laos, the high-level DPRK military delegation paid courtesy calls on the top-level leaders in our country and held a meeting with a delegation of the LPDR National Defense Ministry. During the meeting, the two sides informed each other of the implementation of national defense and public security work in their respective countries. They also exchanged views and experiences on many other issues. The Lao side expressed welcome and support for the DPRK's policy, which is intended to bring about peace, stability, and security in the Korean peninsula, the region, and the rest of the world. The DPRK delegation also visited certain Army units and a number of economic and cultural establishments in Vientiane Municipality and Luang Prabang Province.

UK Foreign Office Delegation Arrives 17 Nov

BK1811134594 Vientiane KPL in English 0926 GMT 18 Nov 94

[FBIS Transcribed Text] Vientiane, November 18 (KPL)—A delegation of the British Foreign and Commonwealth Office led by Mr. David Dain, assistant undersecretary of State for Southern and Southeast Asia, arrived here yesterday on a two-day visit to Laos at the invitation of the Ministry for Foreign Affairs of the Lao PDR [Lao People's Democratic Republic].

Yesterday afternoon, Mr. David Dain paid a courtesy visit to Mr. Thongsavat Boupha, deputy-minister of foreign affairs, and Mrs. Khempheng Phonsena, vice-president of the Committee for Planning and Cooperation. The discussion touched upon bilateral relations and cooperation in economy, business and trade and reviewed the promotion and protection of investment.

Plans for assistance to and cooperation with Laos including training in English language for Lao technical personnel were discussed.

Meets With Deputy Premier

BK1911145294 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 Nov 94

[FBIS Translated Text] Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee, received a courtesy call in Vientiane this morning from David Dain, assistant undersecretary of state for foreign and Commonwealth affairs of the United Kingdom, who is on a two-day visit to the Lao People's Democratic Republic [LPDR]. On this occasion, David Dain briefed the deputy prime minister on bilateral relations and cooperation, especially in the economic field. They discussed the promotion and protection of investment, British assistance to

Laos in training technicians in the English language, and other issues of common interest.

Regarding the socioeconomic development of Laos, the deputy prime minister pointed out that now is a good opportunity for British businessmen to invest in Laos; for example, in the building of railroads. Deputy Prime Minister Khamphoui Keoboualapha also informed his guest of the LPDR's economic development plan for the period from now until 2000. He said: During this period, the Lao Government will boost agricultural and forestry development and the processing industry by emphasizing the production of foodstuffs in order to achieve self-sufficiency and even a surplus. The deputy prime minister wished David Dain a good trip home.

The British foreign affairs delegation also called on Foreign Minister Somsavat Lengsavat; Deputy Foreign Minister Phongsavat Boupha; Phao Bounnaphon, minister attached to the Prime Minister's Office; Mrs. Khempheng Phonsena, vice chairperson of the Planning and Cooperation Committee; and a number of other Lao dignitaries.

The British foreign affairs delegation arrived in Laos at noon on 17 November and left for home at 1400 on 18 November.

Philippines

Ramos, Taiwan Minister Discuss Trade Issues

BK2111031594 Manila BUSINESS WORLD in English 17 Nov 94 pp 1, 6

[Report by Rachel E. Khan]

[FBIS Transcribed Excerpt] Jakarta (via PLDT [Philippine Long Distance Telephone Co.])—President Ramos yesterday held a private meeting with Taiwanese economic leader Vincent Siew. Mr. Siew is Taiwan's Minister of State and chairman of the Council for Economic Development.

Taking advantage of the fact that they were both here in Jakarta—having just attended the Asia-Pacific Economic Leaders Meeting in Bogor the other day—Mr. Siew met with Mr. Ramos at the latter's suite at the Sahid Jaya Hotel to discuss investment and trade cooperation between RP [Republic of the Philippines] and Taiwan. The meeting, which was held early yesterday morning, was necessarily on economic matters alone, even as the Philippines adheres to the one-China policy.

Talks, said a reliable source, concentrated on Taiwan's interest in the East-Asia Growth Area; agri-business projects, especially fisheries; and the problem of overseas workers in Taiwan. Taiwan is the second largest Asian investor in the Philippines following Japan.

More formal talks with Taiwan were held at the ministerial level. Trade and Industry Secretary Rizalino Navarro told BUSINESS WORLD he had met with his Taiwanese counterpart Chiang Ping-kun after the ministerial meeting last Saturday. "We have discussed additional mechanisms for closer economic cooperation. In fact, we are delighted and very appreciative of their involvement in this coming EABC (East Asian Business Council) meeting in Davao City," he said, adding, "it is a very clear signal that Taiwan wants to link not only with the northern part but with the southern part of the Philippines and get involved in that sub-regional growth area."

Asked about the talks between Mr. Ramos and Mr. Siew, the trade and industry chief denied that it took place.

In a press conference at the Sahid Jaya, President Ramos said that some 1,000 Taiwanese were coming to assess investment opportunities in Mindanao. Mr. Navarro said that in Davao City alone, there will be three major Taiwanese groups for the EABC. One led by Trade Minister Chiang Ping-kun, and two other private sector groups. Davao City is currently playing host to an Agro-Industry Trade Fair of the East Asian Business Council. The fair began yesterday and will run until 19 November. The trade chief added that some 15 to 20 joint ventures with various Asian nations are expected to be firmed up from the trade fair. [passage omitted]

Ramos Views EAGA, Opens Conference

BK2111111994 Manila BUSINESS WORLD in English 18 Nov 94 p 9

[Report by Cristina D. C. Pastor]

[FBIS Transcribed Excerpt] Davao City—President Ramos yesterday hailed here the start of the East ASEAN (Association of Southeast Asian Nations) Business Conference and Exhibits (EABCE), calling it and other regional blocs as part of the "tide of economic liberalization" sweeping the Asia-Pacific.

Also yesterday, 14 joint venture agreements were "confirmed" involving countries of the East ASEAN Growth Area (EAGA), namely Brunei Darrusalam, Indonesia, Malaysia, and the Philippines. The projects, estimated at more than $170 million, range from shipping services to furniture design.

Among the "confirmed ventures" are the following:

—Setting up of an ice plant and cold storage facilities either in East Timor or Southwest Sulawesi by the Filipino company Trans-Pacific Journey Fishing;

—Interior design and manufacture of furniture for the ASA Group of Companies' hotel project in North Sulawesi. The job will be undertaken by East Asian International Marketing Ventures of the Philippines;

—East Asian was able to corner another contract with the Malaysian firm Permadolan Sabah to put up a furniture-making plant in Kota Kinabalu;

—South Star Telecom Enterprises of the Philippines and Indonesia's Mirusa Ham Shop have signed a partial agreement on upgrading telecommunication services in Manado and North Sulawesi;

—The AMS Steel Corp. of the Philippines will supply steel products to Indonesia through Rinola Karya Utana company;

—A shipping agency agreement between the Philippines' Aleson Shipping Corp. and Malaysia's Timmarine Sdn. Brd., which is envisioned to formalize shipping links between Western Mindanao and Sabah;

—Indonesia's PT Prima Comexindo will provide vessels and the Philippines' Southern Ship Handlers will undertake cargo services for the Davao, Gen. Santos City, and North Sulawesi routes; and,

—G & P Builders of the Philippines and Indonesia's Kadin to undertake road construction projects for Southern Mindanao.

Similar joint ventures were reached between the Philippines and countries outside EAGA. These are:

—Joint venture tourism promotion involving Travelway Tours, Inc. of the Philippines and the Australian Jetset Travel;

—Taiwan's Sun Moon Star signs a joint venture agreement with the Marbel Telephone Systems, Inc., a Filipino consortium operating in the South Cotabato-Sarangani-Gen. Santos growth corridor;

—Establishment of a coconut processing factory in Southern Mindanao to be undertaken by the Nova Vista Management & Development. Corp. and Malaysia's Sarawak Economic Development Corp.;

—Establishment of a ship repair facility in Davao del Sur to bridge the link between Mindanao and the fish ports of North Sulawesi and Gen. Santos City; and,

—Upgrading of computer facilities in three universities in Northern Mindanao to be undertaken by a Singaporean software company.

In the past, said Raymundo Segura of the Philippine Exporters' Confederation of Region 11, these hinterland areas of the region were considered "backwater." The EAGA, comprising a dozen underdeveloped provinces, is now being viewed as a "united trade bloc."

The EAGA of 40 million consumers links the following provinces into a potential "polygon of prosperity": Brunei; Indonesia's East and West Kalimantan, Maluku, Central, North, South and Southeast Sulawesi; Malaysia's Labuan, Sabah, and Sarawak; and, the Philippines' Mindanao.

Mr. Ramos said the EAGA underlines the "immense possibilities for commercial exchange among the regions contiguous with one another.

"This bright prospect reflects the steady advance of ASEAN in economic liberalization," he said on arrival here from Indonesia where he attended the leaders' summit of the Asia-Pacific Economic Cooperation.

The Philippine Chamber of Commerce and Industry (PCCI) said the region's proximity with one another makes the EAGA a "most logical" economic grouping.

"They are closer to each other than they are to their state capitals," said PCCI President Herman Montenegro in his keynote speech.

He added while the EAGA strives for "complementarity rather than competition," it should take into consideration differences in their political and economic structures.

"Some problems may arise" out of the countries' diversity in political and economic forms, he cautioned. But he said the "right amount" of government intervention and a vibrant private sector are crucial to the success of EAGA. [passage omitted]

Indonesia Agrees To Mediate in MNLF Talks

BK1911090494 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Nov 94

[FBIS Translated Text] Indonesia will continue to act as a facilitator in the talks between the Philippine Government and the Moro National Liberation Front [MNLF] scheduled to take place in Zamboanga City in the Philippines on 23 November. Pieter Damanik, Indonesian ambassador to the Philippines, said in Davao City that the Zamboanga City talks will be a continuation of the previous talks in Cipanas, West Java last year. The Islamic Conference Organization has entrusted Indonesia with the role of facilitator to settle the conflict between the Philippine Government and the MNLF.

According to Ambassador Pieter Damanik, Indonesia will include a number of personnel from the Armed Forces of the Republic of Indonesia as military observers during the Zamboanga City talks. Mutual recognition and respect by the two warring parties are highly needed to achieve peace in the Philippines.

Military To Control Rebels in Mindanao

BK2111083794 Manila PHILIPPINE DAILY INQUIRER in English 18 Nov 94 p 5

[Report by Cynthia D. Balana]

[FBIS Transcribed Text] The military will continue to be in charge of fighting rebels in Mindanao even if the police takes over counterinsurgency functions by the end of the year, Interior Secretary Rafael Alunan III said yesterday.

At a breakfast forum in Camp Aguinaldo, Alunan said he expects Mindanao to be retained by the AFP [Armed

Forces of the Philippines] Southern Command because of the prevailing situation in the region.

"I would be inclined to support the idea of the AFP maintaining full control over Mindanao," Alunan said, adding that both the Department of National Defense [DND] and the Department of Interior and Local Governments [DILG] were alarmed by the "growing global phenomenon of Muslim extremism" which could spark in the south.

The other problem is whether the AFP should immediately transfer to the police its operations in some insurgency-affected areas in Luzon and Visayas, Alunan said.

In its report for the second quarter of the year, the AFP listed 755 more barangays [villages] affected by insurgency. These are in Kalinga-Apayao, Leyte, Bohol, Siquijor, Negros Occidental, Panay, the Surigao provinces, Sulu. Zamboanga, Davao and Agusan.

Alunan said the DND and DILG will recommend to President Ramos a scheme that would make counterinsurgency a joint effort by the PNP [Philippine National Police] and AFP.

The DND, DILG, PNP and AFP have agreed to divide the tasks among themselves starting 1 January 1995 .

The scheme would still be in accordance with the PNP law which provides for the transfer of the AFP's counterinsurgency function to the police by January, the DILG chief said.

The agreement will become formal when it is signed by heads of both departments by the end of the month.

PNP officials have said that while the police was ready to assume the role, it would still need the competence and equipment of the military to fight insurgents.

Jan-Sep Trade Deficit Increases 31 Percent

BK1911085894 Manila BUSINESS WORLD in English 17 Nov 94 pp 1, 6

[FBIS Transcribed Text] The country registered a trade deficit of $5.9 billion in the first nine months of 1994, as imports worth $15.6 billion outpaced export earnings of $9.7 billion, data released yesterday by the National Statistics Office (NSO) showed. The trade shortfall was 31.1 percent higher than the year-ago deficit of $4.5 billion.

For the month of September, the trade gap was placed at $728 million, up 33 percent from the $547 million registered in September 1993.

The NSO said continued heavy inflows of capital goods and industrial raw materials pushed September's import expenditures to $2 billion. This was 25 percent more than the $1.6 billion posted a year ago and 17.6 percent higher than the $1.7 billion registered the previous month.

In spite of the strengthening peso, export receipts for September were the highest this year at $1.2 billion or 20 percent higher than the $1 billion in earnings a year ago.

Electronics and components continued to top imports for the month in review with total value of $253.4 million, a 23.2 percent increase from the $205.7 million posted for the same period in 1993. This commodity group, which accounted for 13 percent of total import payments made, was made up of industrial raw materials used in the manufacture of semiconductor devices and microcircuits. The bills incurred for the import of these materials were evened out by the strong export demand for semiconductors and microcircuits products in foreign markets.

Import bills for mineral fuels, lubricants, and related materials went up by $44.6 million or 29.8 percent to $194.3 million last September from $149.7 million a year ago.

Telecommunication equipment and electrical machinery moved up from fourth to third place with bills amounting to $187.5 million. This was 43.2 percent higher than the previous month's total of $130.9 million.

Increase in demand for telecommunication equipment could be traced to ongoing projects aimed at improving the country's communications system. The expansion in coverage and the upgrading of equipment of telecommunications firms also contributed to the growing demand for this commodity.

Payments made for industrial machinery and equipment went up from $119.7 million the previous year to $160.2 million, a 33.8 percent increase.

Similarly, import bills for textile yarn, fabrics, and related products reached $112.5 million, reflecting an annual increase of 8.4 percent.

Other major imports for the month in review were transport equipment, $101.3 million; power generating and specialized machinery, $84.3 million; materials/accessories imported on consignment basis for the manufacture of electrical equipment, $71.3 million; paper and paper products, $69.5 million; and, iron and steel, $56.9 million.

The NSO data showed Japan was the main source of imported commodities during the first nine months of the year. Payments made to Japan amounted to $3.8 billion, up by a significant 31 percent over the 1993 level of $2.9 billion.

The United States was the country's second biggest import supplier with purchased goods valued at $2.9 billion. Payments made to the United States accounted for 18.7 percent of total imports expenditures.

Value of imported items from Singapore reached $1.1 billion for a 6.8 percent share of total imports. Payments for products purchased from Taiwan amounted to $897.5 million; Hong Kong, $798.6 million; the

Republic of Korea, $788.4 million; Saudi Arabia, $640.3 million; Germany, $523.5 million; Australia, $425.4 million; and Indonesia, $255.2 million.

For the month of September alone, Philippine transactions with these leading suppliers of import products amounted to $1.6 billion.

Total trade for the month in review was $3.2 billion, up 10 percent from the previous month. Total trade from January to September reached $25.3 billion, a $4.4 billion increase over the year-ago level of $20.9 billion.

Thailand

Proposed U.S. Arms Depot Said 'Inappropriate'

BK2111055394 Bangkok BANGKOK POST in English 21 Nov 94 p 3

[FBIS Transcribed Text] The Thai military has considered US Secretary of State Warren Christopher's request to station a "floating arms depot" in the Gulf of Thailand, but sees no need for it, Defence Permanent Secretary Prasoet Sararit said yesterday. When he was here last week, Mr Christopher asked the Thai authorities to reconsider its position on the American request to preposition certain military equipment in Thai waters.

Gen Prasoet said the Thai armed forces took the view that there was no necessity for such a depot, and it would be "inappropriate." He said: "At present there is no danger of aggression in the region, and this is likely to remain the case into the next decade."

He said the future of the region hinges on economic cooperation which will resolve any security problems. Even if there should be a security situation arising, the benefits from such a floating depot would not be great.

Malaysia has also rejected the US approach, reasoning that if it is accepted it will "create enemies" and China and Japan will also misunderstand its intentions.

Christopher Criticized for Raising Depot Issue

BK1911093294 Bangkok THAILAND TIMES in English 19 Nov 94 p A4

[Editorial: "Tacky Diplomacy"]

[FBIS Transcribed Text] His fellow Americans perceive Secretary of State Warren Christopher as lacking in charisma and being generally ineffective. While he has presided over some notable successes, Haiti and North Korea for example, most of the credit has gone elsewhere. There has been widespread speculation that he would be replaced by somebody with a little more panache, especially after reports that Christopher had allowed himself to be consumed with jealousy over the highly-publicized efforts of former president Jimmy Carter.

Here in Thailand, however, the impression is quite different. He is a highly-respected statesman, the most senior American official to visit the Kingdom since 1985. He also says nice things.

Flattery, as the saying goes, will turn every head. Thai politicians are no different from their counterparts around the world. They hate to be criticised, but love compliments. Rather than a visit by a senior US administration official, Christopher's 24 hour stay in Thailand was more like a gathering of the mutual admiration society.

Nobody is suggesting that diplomats and politicians should be rude to each other, but none of the gentlemen concerned would need sugar in their morning coffee, their mouths were sweet enough.

Christopher congratulated Thailand for its efforts to protect intellectual properly rights, and rewarded Prime Minister Chuan Likphai by officially announcing that the Kingdom was being taken off the Priority Watch List. Obviously Christopher did not have enough time during his short stay to visit the Phatphong Night Market. He also praised Thailand's efforts to close its border with Burma to prevent the flow of drugs, and applauded Bangkok's determined attitude towards cutting off any assistance from reaching Cambodia's Khmer Rouge guerrilla faction. The Secretary of State pushed all the right buttons, stroked egos and left Thailand with everybody thinking about what a nice man he was.

Reminders that the US Congress had just a few months ago threatened to cut off funding for a Thai Army educational program were shrugged off. Christopher obviously does not share the same sentiments as his Australian counterpart, Gareth Evans. To be fair, Prime Minister Chuan and his administration have made progress in the protection of intellectual property rights; fake Rolex watches are now more expensive and just a little harder to find. There have been a number of successful drug busts and the flow of heroin is now probably just that, a flow rather than a deluge. And there is absolutely no doubt about Bangkok's attitude towards the Khmer Rouge faction, everybody has heard it repeated often enough. Only this week, however, police arrested gun runners trying to smuggle rocket launchers from Cambodia to drug-warlord Khun Sa, and nabbed a bunch of Cambodians red-handed with half a million baht worth of soybean and other assorted goods that they hoped to sell to contacts here in Thailand.

Efforts are being made in all of these areas, and as with all operations, there are successes and failures. If Christopher's statements were taken at face value, people could be forgiven for believing the word failure does not exist in his, or Thailand's, vocabulary.

As he was about to wave goodbye to his hosts, however, Christopher spoiled what could have been a very pleasant 24 hours. He brought up, in public, the US request to station floating arsenals in the Gulf of Thailand. Last month Prime Minister Chuan refused the American request a decision that obviously upset Washington. After showering the government with praise, Christopher said he hoped they would reconsider their position on the issue. In an almost throwaway manner, Christopher added that in any event he was sure he could find an alternative location, but admitted that no negotiations were currently underway.

So the Gulf of Thailand is still Washington's first choice. It is a pity they had to be so transparently silver-tongued to get that point across.

U.S. Measures Cause Tobacco Exporters To Move

BK2111083394 Bangkok PHUCHATKAN in Thai 21 Nov 94 p 18

[FBIS Translated Text] Protectionist U.S. measures against foreign tobacco has driven private Thai tobacco exporters to move their production base to China. China does not belong to the GATT, so subsidies to exporters are possible, and production costs there are lower than those in Thailand.

According to Seri Pansuwan, director of the Thai Tobacco Monopoly, the U.S. government has set measures to protect domestic tobacco producers by requiring the use of 75 percent of domestic tobacco by cigarette manufacturers and allowing the use of only 25 percent of foreign tobacco. This has caused tobacco exporters to move their production base from Thailand to China, where production costs are lower.

Seri said the Chinese Government has promoted investment from foreign tobacco producers by significantly reducing their energy costs, the major expense in tobacco production. This has made production costs in China lower than those in Thailand. Moreover, since China is not in the GATT, subsidies to local producers are not subject to countermeasures by other countries.

Seri said his agency had to shoulder the burden created by tobacco previously delivered to the four companies which had moved to China. The amount it can buy depends on its export ability.

Seven private firms bought and produced tobacco for export. Four of these have relocated their production bases abroad. They are: Universal, Thai-Am, Baikiu, and Pan Siam Companies. The other three firms are: Satek, Adams, and Intabec.

Foreign Minister Comments on APEC Benefits

BK1911094894 Bangkok Radio Thailand Network in English 0000 GMT 19 Nov 94

[FBIS Transcribed Text] Thailand will benefit from the creation of a free trade area in Asia-Pacific region by the year 2020. Leaders of the Asia-Pacific Economic Cooperation, or APEC, have agreed that developed economies of the forum achieve the goal of free and open trade and investment by the year 2010; the developing economies by the year 2020.

Foreign Minister Thaksin Chinnawat says the free trade policy will contribute to economic growth in Thailand and the region. He says he will urge the Thai private sector to get ready for more competition in the future as a result of the free trade system. At the same time, he says, government agencies need to adjust themselves well in line with the liberalization process. The minister says Thailand will also benefit from technical cooperation which will be intensified among APEC members.

Foreign Minister To Meet Cambodian King

BK1911091394 Bangkok THE NATION in English 19 Nov 94 p A2

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat will be granted an audience with Cambodia's King Norodom Sihanouk during his visit to Beijing, starting on Nov 27, Foreign Ministry spokesman Suwit Simasakun said yesterday.

Suwit said, in a press conference, that the Cambodian king had allowed Thanksin to meet him on Nov 29 at about 10 am, before the minister returns to Bangkok.

"The Cambodian king has granted this opportunity for a Thai minister to meet him despite having not yet recovered from cancer. It was a good opportunity as the visit can be made in Beijing, as the king usually resides in Pyongyang (North Korea)," the spokesman said.

A reliable source said yesterday that Thaksin was expected to express thanks to the Cambodian king for his assistance in securing the recent freedom of 14 Thais detained in Cambodia since July, for their involvement in a failed coup there.

"King Sihanouk's comments to Cambodia's co-premiers asking for the immediate release of the Thais played a major role in making the Cambodian government eventually free the Thais," the source said.

The king said that the detention of the Thais, without being charged, was considered against basic human rights. The Cambodian government agreed that the conclusion of the case was partly due to the king's letters.

Suwit told reporters that Thaksin's initial plan for visiting China was to receive Buddha relics, that include the precious 2,500-year-old finger bone of the Lord Buddha, which belongs to Fa-Men Temple in Xian. Beijing has lent the artifacts for 85 days, to commemorate the king's birthday and celebrate the 20th anniversary of bilateral diplomatic relations between Thailand and China.

"Thaksin will also meet his Chinese counterpart Qian Quichen on the day he arrives in Beijing, during which both ministers will discuss bilateral relations, both political and economic," the spokesman said.

Prior to the visit to Beijing, Thaksin will also make a one-day official visit to Brunei and then Malaysia. The Thai minister will discuss mutual issues with his Brunei counterpart Prince Bolkiah and later Malaysian Foreign Minister Datuk Abdullah Badawi.

Australian Delegation Arrives To Mend Relations

BK1811122994 Melbourne Radio Australia in English 0630 GMT 18 Nov 94

[From the "International Report" program]

[FBIS Transcribed Excerpt] Australia's strained relations with Thailand come under intense scrutiny with the arrival in Bangkok today of a parliamentary committee for 10 days of high-level talks. The visit comes as Canberra tries to repair the damage left by its claims of continuing support for the Khmer Rouge in Thailand, and the later backdown with the admission that its information was out of date. But Evan Williams reports from Bangkok lingering doubts and defensive hurt pride in the Thai Government and Army may still damage Australia's long-term interests.

[Begin recording] [Williams] Apart from a few shots across Canberra's bow, Thailand largely accepted Australia's backdown with reasonable public grace. There have been warnings the comments should not have been made without proof, but there has been no demand for an apology or worse any move to downgrade diplomatic or business ties. The only long-term problem seems to be the Army commander's repeated rejection of Australian rifles to replace aging American stocks, but that's months away from a final decision.

Cambodia's foreign minister has touched the sore point by reaffirming [Australian Foreign Minister] Gareth Evans' claims, but the Thai Foreign Ministry says they will deal with that separately. Some Thai newspapers have started discussing the ugly Australian, a term previously kept for American activity in Asia, and some senior Foreign Ministry and military officials resent the attack. Canberra's backdown allows them to act with indignation.

On the eve of the parliamentary visit, Australian Ambassador Cavin Hogue says both governments agree it is difficult to stop individual illegal cross-border trade, but Canberra now accepts Bangkok is genuinely trying.

[Hogue] That's the point that we've been trying to make, which I think they accept, is that all countries concerned, including Thailand, should be doing anything that's in their power, legally, to help support the legitimate Government of Cambodia against the people who have been declared outlaws.

[Williams] So more could be done.

[Hogue] Ah, people always do more in these situations.

[Williams] Sentiments reaffirmed by U.S. secretary of state Warren Christopher who after a two-day visit says he is impressed with the commitment shown by Thai leaders to end cross-border support for the guerrilla faction. [passage omitted on Christopher remarks]

But Thailand is under increasing back room pressure. The U.S. State Department will report to Congress early next year on cross-border support for the banned guerrilla group and a negative outcome could cut U.S. economic aid for Thailand. France and Britain have been quietly pressing for tighter controls. Gareth Evans' comments may have been a result of a long and frustrating hostage crisis and may have been aimed at calming domestic complaints, but letting Thailand know the West is serious about wanting change has left a bitter taste among some senior government and military officials that wasn't there before. Ambassador Hogue says despite some hurt in certain quarters there is no evidence of any lasting damage to relations. On that front it's business as usual, he says.

The parliamentary delegation will look at the total relationship—aid, business, trade, and investment—and while there is no evidence of any damage, the Thais stress they won't forget quickly. That may be the cause of saying publicly what many think privately. But public questions require public proof in a region were nothing is really happening until everyone publicly agrees that it is happening. [end recording]

New Zealand Prime Minister on Official Visit

Chuan Meets New Zealand Counterpart

BK1811164294 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 18 Nov 94

[FBIS Translated Text] Prime Minister James Bolger of New Zealand, who is currently on a two-day visit to Thailand, today called on Prime Minister Chuan Likphai at Government House for official talks. The two leaders met earlier while attending the Asia-Pacific Economic Cooperation [APEC] summit in Indonesia last week.

Reporting on today's talks between the two leaders, Prime Minister's Office Spokesman Aphisit Wetchachiwa said the two leaders stressed the importance of bilateral relations and of economic and trade cooperation, as well as cooperation to promote links under the ASEAN Free Trade Area.

Concerning their discussion about Cambodia, the Thai prime minister offered his appraisal of the situation and said the conflict in Cambodia will drag on for some time. On Burma, Thailand underlined its policy to encourage Burma to have contact with the outside world, and continues to believe changes in Burma will be brought forth by the Burmese people themselves.

Concerning the prime minister's planned visit to Australia and New Zealand, scheduled for December, Prime

Minister Chuan indicated that he has been forced to postpone the visit indefinitely due to the ongoing parliamentary session.

Bolger Departs 19 Nov

BK1911085794 Bangkok Radio Thailand Network in Thai 0530 GMT 19 Nov 94

[FBIS Translated Text] New Zealand Prime Minister James Bolger and his wife, who paid an official visit to Thailand from 16-19 November, left for New Zealand aboard a special fight from the Air Force Airport at 1000 today.

During his official visit to Thailand, the New Zealand prime minister met the chairman of the Board of Trade of Thailand and the acting chairman of the Thai-New Zealand Business Council. He also received an honorary doctorate in agriculture from Khon Kaen University and visited the Esan Agro-Industry Company in Sakon Nakhon Province.

Vietnam

PRC President Jiang Zemin on Official Visit

NHAN DAN Editorial Welcomes Visit

BK1911094094 Hanoi VNA in English 0630 GMT 19 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 19—Mr. Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China is expected in Ho Chi Minh City today for an official friendship visit to Vietnam.

"This," today's NHAN DAN says in an editorial "is an important event in the Vietnam-China relationship and cooperation". The leading newspaper continues: "This is the first visit by the highest leader of the Communist Party of China and the second visit by a Chinese president to Vietnam since the two countries established diplomatic relations in 1950. This is also the fourth high-level meeting between Vietnam and China since the normalization of relations between the two countries in November 1991. This important event reaffirms the Vietnamese and Chinese leaders' common desire to exchange views regularly in order to enhance their mutual understanding and trust, thus promoting the development of the Vietnam-China friendship and cooperation in proportion to potentials and desire of the two peoples on the basis of principles noted in the Vietnam-China Joint Communique in November 1991".

"The Vietnamese people", it says, "always attache importance to their bilateral relations with China and do their utmost to consolidate and strengthen relations of neighboring friendship and multi-faceted cooperation for the mutual benefits for the two peoples and for peace, cooperation, and development in the region and the world as a whole. The Vietnamese people always bear in mind and are grateful to the Chinese people's precious assistance to their revolutions.

"Since the normalization of bilateral relations", the paper continues "the political, economic, scientific and technical and cultural cooperation have been restored and developed. The two sides have signed more than 20 cooperative agreements. Many border gates were opened with a view to create more favorable conditions for economic and commercial cooperation and visit exchanges between the two peoples. The two-way trade value rose to USD [U.S. dollars] 400 million in 1993. At present, the consolidation and enhancement of the Vietnam-China friendship are very important as that will create favorable international environment for the development of each country, thus contributing to the promotion of peace, stability, and cooperation in the region and the world", NHAN DAN concludes.

New PRC Ambassador Interviewed

BK1911083294 Hanoi Voice of Vietnam in English 1000 GMT 18 Nov 94

[Report on an interview with the new Chinese ambassador to Vietnam Zhang Qing by unidentified station correspondent; place and date not given—italicized portions recorded in Vietnamese fading into English translation]

[FBIS Transcribed Text] China's new ambassador to Vietnam, Mr. Zhang Qing, is no stranger to Vietnamese people. He studied Vietnamese at Hanoi University from 1961-64 and was on three separate working missions to the Chinese Embassy in Hanoi. Mr. Zhang Qing has granted an interview to Voice of Vietnam concerning the coming official visit to Vietnam by Chinese President Jiang Zemin:

President Jiang Zemin's visit to Vietnam is aimed at further enhancing bilateral relations. It is important for both countries and for peace and stability in the region. I hope through meetings between top leaders of China and Vietnam, the two countries will boost good neighborliness.

The Chinese ambassador in Hanoi then went on to discuss growing commercial and economic links between China and Vietnam:

Through the visit to Vietnam by President Jiang, both countries will sign agreements that include the guarantee on the quality of imports and exports and the agreement on motor transportation. It is aimed at further promoting border trade between the two countries in an official and healthy manner.

The ambassador said: Commercial and economic development was an important issue in bilateral ties. In recent years, two-way trade has rapidly increased. Normalization of bilateral relations began only three years ago, but trade value in 1993 increased 50 percent from 1992. Last year, trade turnover was about $400 million. In the first eight months of this year, trade magnitude increased by

80 percent from the previous year. Vietnamese goods exported to China rose by 118 percent in the period under review. Investment is also on the increase. Vietnam has licensed 24 Chinese projects totalling $24 million. Other projects are being discussed such as Thai Nguyen steel mill which could be capitalized at $310 million. Beijing and Shanghai have established economic and commercial ties with Hanoi and Ho Chi Minh city.

The ambassador said: China and Vietnam have many similarities. Economically, the two could complement each other with their comparatively high potentials. He expressed confidence that with common efforts, commercial and economic ties will develop.

Mr. Zhang Qing was then asked about the process of renovation in Vietnam:

When I was assigned to the posting last year, I was deeply impressed with Vietnam as a stable society with economic development and brisk diplomatic activities. People's lives have much improved. There is a high tempo of external economic development and great foreign investment. Vietnamese are now more well dressed. After years of war, Vietnam's infrastructure is still poor, the legal system is incomplete. But he believed the outcome of the renovation process would create an (?emphasis) that would overcome all difficulties.

Arrives in Ho Chi Minh City 19 Nov

BK1911101294 Hanoi Voice of Vietnam in English 1000 GMT 19 Nov 94

[FBIS Transcribed Text] Mr. Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China, arrived in Ho Chi Minh City on Saturday for an official visit to Vietnam. This is the first visit by the highest leader of the Communist Party of China and only the second time a Chinese president has come to Vietnam since the two countries established the diplomatic relations in 1950. It is also the fourth high-level mission to come to Vietnam since the two countries normalized relations in November 1991.

Speaks on Arrival in Hanoi

OW2011074694 Tokyo KYODO in English 0724 GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, Nov. 20 KYODO—Chinese President Jiang Zemin on Sunday called for a strengthening of relations between China and Vietnam, currently marred by conflicting territorial claims on land and at sea.

In an arrival statement at Noi Bai Airport on the outskirts of Hanoi, Jiang called for "continued consolidation and strengthening of good-neighborly and friendly relations, and mutually beneficial cooperation."

That endeavor, he said, would "not only conform to the common aspirations and fundamental interests of our two peoples but also contribute to peace, stability and the development of our region."

Jiang began his four-day "official goodwill visit" to Vietnam on Saturday when he flew into Ho Chi Minh City, Vietnam's southern economic hub and home to half a million ethnic Chinese.

The first Chinese Communist Party head ever to visit Vietnam, Jiang was scheduled to hold talks later in the day with Communist Party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet.

He said he anticipates having "an extensive and in-depth exchange of views on further developing our bilateral relations and on regional and international issues of common concern."

"China and Vietnam are joined together by mountains and waters," he said. "The friendship between our two peoples dates back to times immemorial."

Yet those same mountains and waters that join the two countries geographically are the primary source of conflict that separates them politically.

Indeed, relations between the two communist neighbors have long been haunted by a legacy of mutual suspicion and periodic conflict stretching back some 2,000 years.

Relations were normalized in November 1991 after more than a decade of political and ideological conflict, during which time they fought a brief land war in 1979 and clashed at sea in March 1988.

The two sides are still bickering over the ownership of potentially petroleum-rich tracts of the Tonkin Gulf and the South China Sea, which has become the most dangerous potential flash point in the region.

Vietnam and China are among six governments with overlapping claims in the area, along with Taiwan, Malaysia, the Philippines and Brunei. Both have awarded oil exploration concessions to foreign companies and a war of words rages between them sporadically.

In an apparent allusion to Hanoi's presumed indebtedness for military and economic assistance rendered by China during the course of the Vietnam war, Jiang said, "we sympathized with and supported each other and we cultivated profound friendship in our struggle for our respective national independence and liberation of the country."

"Today we are learning from each other and carrying out mutually beneficial cooperation in nation-building, with fresh progress achieved in all facets of our bilateral relations since they returned to normal three years ago," Jiang said.

Jiang's visit comes at the invitation of Do Muoi and Le Duc Anh, whom he previously met in September 1990 and November 1991.

The highest-level Chinese figure ever to have visited reunified Vietnam before Jiang was Premier Li Peng, who came in December 1992.

Aside from being the first Chinese Communist Party leader to visit Vietnam, Jiang is the second president to make the trip. In 1963, the late Chinese President Liu Shaoqi visited what was then North Vietnam.

Meets With Party Advisers 20 Nov

BK2111155594 Hanoi VNA in English 1543 GMT 21 Nov 94

["Chinese President's Activities in Vietnam"—VNA headline]

[FBIS Transcribed Text] Hanoi Nov. 21—Mr. Jiang Zemin, general secretary of the Communist Party of China (CPC) and president of the People's Republic of China yesterday paid a courtesy visit to Mr. Nguyen Van Linh, (?advisor) to the party Central Committee, in Ho Chi Minh City.

During the reception, Mr. Nguyen Van Linh expressed his wish that through this visit the cooperative relations between Vietnam and China would be further strengthened and developed on the basis of mutual benefits.

For his part, Mr. Jiang Zemin expressed his thanks to the Vietnamese party, government and people for their hospitality, and said he hoped that his visit would contribute to further strengthening the friendship and mutual understanding between the two peoples.

This afternoon, the Chinese leader paid a courtesy visit to Mr. Pham Van Dong, advisor to the party Central Committee, who said that President Jiang Zemin's visit would mark a new step of development in the Sino-Vietnamese relations.

Also in the afternoon, the Chinese guests visited the Thang Lang Cigarette Factory which was built with China's assistance.

This morning, Mr. Jiang Zemin paid a floral tribute to President Ho Chi Minh at his Mausoleum and visited his home and office.

Also today Mr. Jiang Zemin received a delegation of the Vietnam-China Friendship Association led by its Chairman and Minister of Agriculture and Food Industry Nguyen Cong Tan.

Mr. Jiang Zemin expressed his belief that the existing solidarity, friendship and cooperation between China and Vietnam would be further developed.

For his part, Minister Nguyen Cong Tan informed Mr. Jiang Zemin of the association's activities which have made contribution between the two countries.

Meets With Do Muoi, Le Duc Anh

BK2011155794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Nov 94

[FBIS Translated Text] On the afternoon of 20 November, party General Secretary Do Muoi and SRV President Le Duc Anh held talks with Comrade Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China.

Attending the talks on the Vietnamese side were Phan Van Khai, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and deputy prime minister; Nguyen Manh Cam, member of the CPV Central Committee Political Bureau and minister of foreign affairs; Hong Ha, member of the party Central Committee and head of the party Central Committee Foreign Relations Department; Presidential Office head Nguyen Viet Dung; Water Conservancy Minister Nguyen Canh Vinh; Trade Minister Le Van Triet; Finance Minister Ho Te; Phan Vien, head of the party Central Committee Office; Deputy Foreign Minister Vu Khoan; Bui Van Phuong, deputy minister of communications and transport; Vietnamese Ambassador to China Dang Nghiem Hoanh; Phan Trong Kinh, assistant to the party general secretary; Nguyen Ba Ngoc, assistant to the SRV president; and many other high-ranking officials.

On the Chinese side were Qian Qichen, member of the CPC Central Committee Political Bureau, state council vice premier, and foreign minister; Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Secretariat; Zeng Dinghong, head of the CPC Central Committee Office; Wang Zhongvu, head of the State Economic and Trade Commission; Wu Yi, minister of foreign trade and economic cooperation; Special Assistants Wang Weicheng and Shu Huaide; Vice Foreign Minister Tan Jiaxuan; Chinese Ambassador to Vietnam Zhang Qing; and many other high-ranking officials.

On behalf of the Vietnamese party, government, and people, Comrades Do Muoi and Le Duc Anh warmly welcomed Comrade Jiang Zemin and his entourage. The Vietnamese leaders held that Comrade Jiang Zemin's visit to Vietnam is of great historical significance in the relations between the two parties and nations because it is the first official visit to Vietnam by the highest leader of the Chinese party and state.

Comrade Jiang Zemin expressed his delight at having the chance to visit the beautiful country of Vietnam. He strongly asserted China's wish to develop consistently relations of friendship and good neighborliness with Vietnam. He warmly welcomed the achievements made by the Vietnamese people in the renovation process and in expanding international relations.

The Vietnamese and Chinese leaders informed each other of the situations and issues in their respective countries, especially in the renovation undertaking, reform, and the open-door policy as well as their efforts to build socialism in the unique conditions of their respective nations.

In exchanging views on relations between the two parties and nations, Comrades Do Muoi, Le Duc Anh, and Jiang

Zemin highly appraised the results of the regular meetings between high-ranking officials of the two countries. They also expressed satisfaction at the positive development of Sino-Vietnamese relations over the three years since the official normalization of relations.

The Vietnamese and Chinese leaders stressed the aspiration of both sides to advance toward the 21st century with a strong determination to strengthen and develop relations of friendship and cooperation between the two countries on a long-term basis, thereby meeting the interests of the two nations and the interests of peace, stability, and cooperation in Asia, the Pacific, and the world.

In this spirit, the leaders of the two countries discussed orientations and main measures to bring Sino-Vietnamese relations to a new and higher altitude and a greater scale with emphasis on the expansion of economic, trade, scientific-technological, and cultural cooperation. The leaders agreed that on this occasion both sides will sign an agreement to establish a joint Sino-Vietnamese committee for economic and trade cooperation, an agreement on transportation, and an agreement on controlling the quality of exported goods.

Both sides reaffirmed the policy of continuing to resort to peaceful negotiations to resolve differences and to avoid acts affecting the relations of friendship, good neighborliness, and cooperation between the two nations.

In exchanging views on international and regional issues of common concern, both sides held that independence, peace, and cooperation are the earnest aspiration of all nations in the world and the great trend in the region and the world. Both sides expressed the wish to contribute positively to maintaining peace and stability and expanding cooperation in the region and the world for the sake of development.

Comrade Jiang Zemin invited Comrades Do Muoi and Le Duc Anh to pay an official friendship visit to China and the invitation was accepted with pleasure. The visit will be arranged through diplomatic channels.

The talks took place in an atmosphere of friendship, sincerity, frankness, respect, and mutual understanding.

Holds Talks With Vo Van Kiet

BK2011171194 Hanoi VNA in English 1700 GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 20—Prime Minister [PM] Vo Van Kiet paid this evening a courtesy visit to party Secretary General and President of China Jiang Zemin now on an official friendship visit to Vietnam.

PM Kiet, (?accompanied by) Foreign Minister Nguyen Manh Cam, said at the meeting that progress has been made remarkedly in the cooperation in the political, economic, scientific and technical, and cultural fields between the two countries in general and between their border provinces in particular. However, he said, the development is not commensurate with the potentials and desire of the two countries which have traditional friendship ties. Prime Minister Kiet pointed out that Vietnam has always attached great importance to China's experience (?in) economic management and in building economic models.

P.M. Kiet affirmed that the Vietnamese party, state and people will do their best to consolidate and strengthen the neighbourly friendship and comprehensive cooperation between the two countries in the interests of the two peoples and for peace, cooperation development in the region and the world as a whole. He expressed his belief that Mr. Jiang Zemin's visit would usher in a new era in the traditional friendship and cooperation between China and Vietnam, thus creating favourable conditions to raise the relations of bilateral economic, commercial cooperation to a high level which is desired by the two peoples.

For his part, the Chinese party chief acknowledged that there are remaining problems in the Sino-Vietnamese relations he said that the two countries would find good solutions to issues left by the history and in line with the spirit of the Sino-Vietnam Joint Communique signed in Nov. 1991. Mr. Jiang Zemin expressed his hope that his visit's results would mark a new step of development in the friendship and cooperation between Vietnam and China, thus making contributions to accelerating peace, stability, friendship and cooperation in the region and the world as a whole.

Le Duc Anh Hosts Banquet 20 Nov

BK2111093094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Nov 94

[FBIS Translated Text] Dear friends: General Secretary Do Muoi and President Le Duc Anh hosted a grand banquet at the Presidential Palace this evening in honor of Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC, and his entourage, who are now on an official friendship visit to Vietnam.

At the banquet, President Le Duc Anh delivered the following speech, presented in full:

[Begin Le Duc Anh recording] Esteemed Comrade Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC; Esteemed Comrade Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Dear Chinese and Vietnamese Comrades:

It is a great delight for the communists and the people of Vietnam to have a chance to welcome Comrade Jiang Zemin, the top leader of the Communist Party and Government of China, on his first official friendship visit to Vietnam. Your visit brings our people the heartfelt friendly sentiments of the great Chinese people. We regard this visit to Vietnam by Comrade Jiang Zemin as an event of historic significance, marking a new milestone on the path toward the development of friendly and cooperative relations between the two parties and two countries of Vietnam and China.

On behalf of the party, state, and people of Vietnam, I warmly welcome Comrade Jiang Zemin and the other Chinese comrades. Comrades, I sincerely wish your visit fine success.

In welcoming you, comrades, I would like to express my great delight with the excellent achievements made by the Chinese people in their reforms and openness, which are aimed at renovating China and turning the old, impoverish, and backward China into a prosperous country in the advance toward modernization.

From the depths of our hearts, the Vietnamese people would like to wish the fraternal Chinese people—led by the CPC—new and increasingly glorious success on the path of building socialism with Chinese characteristics so as to contribute greatly to the cause of peace and cooperation for the development of countries in the Asia-Pacific region and the world.

Comrades, you are visiting Vietnam at a time when our people are eagerly making preparations for the major anniversary celebration of the 50th anniversary of the founding of an independent and free Vietnam; when they are making new achievements in the renovation process under the socialist orientation in order to achieve the lofty goals of making the people prosperous, the country strong, and the society equitable and civilized; and when they are contributing to the cause of peace, national independence, democracy, and social progress in the region and the world over.

Comrades and friends, the neighborly relations and the close friendship between the two peoples of Vietnam and China have been forged and tested in the flames of the arduous struggle of our respective countries for the sake of national liberation and the building of a free, plentiful, and happy life.

Our two parties and peoples have shared weal and woe. They have united and assisted each other. With their tradition of loyalty, the Vietnamese people will always remember and feel thankful for the heartfelt support and the great assistance of the Chinese people during the Vietnamese people's revolution.

Since the two countries restored relations, ties between various sectors and localities have developed in a lively manner and multifaceted cooperation has increased constantly. With this momentum, we must jointly strive to bring Vietnamese-Chinese relations to a new, stable, and lasting stage while heading toward the 21st century and beyond.

We are very delighted to note that the talks held this afternoon achieved a consensus on various fundamental orientations and important measures aimed at further strengthening Vietnamese-Chinese relations.

It is certain that the success of this visit to Vietnam by Comrade Jiang Zemin and the other Chinese comrades will contribute greatly to achieving our two peoples' common aspiration to make friendly Vietnamese-Chinese relations evergreen and everlasting.

With the atmosphere today permeated by Vietnamese-Chinese friendship, may I propose that you comrades and friends toast the ever-increasing development of neighborly and friendly relations and cooperation between Vietnam and China; the health of Comrade General Secretary Jiang Zemin and all Chinese party and state leaders; the health of Comrade General Secretary Do Muoi and other Vietnamese party and state leaders; and the health of all comrades and friends present. [applause] [end recording]

Next, Comrade Jiang Zemin delivered a speech in reply:

[Begin Jiang Zemin recording, in Chinese fading into Vietnamese translation] Esteemed Comrade General Secretary Do Muoi; Esteemed Comrade President Le Duc Anh; Dear Comrades and Friends:

At the heartfelt invitation of Comrade General Secretary Do Muoi and Comrade President Le Duc Anh, I am very delighted to pay an official friendship visit to the SRV. Comrades, upon setting foot in your homeland we were given a great, warm, friendly, and impeccable welcome. I would like to take this opportunity to express my sincere gratitude for the profound sentiments the Vietnamese party and government have reserved for us.

Although I have not had a chance to visit Vietnam before, I have always concerned myself with monitoring Vietnam's revolutionary undertakings and national construction. Over the past few years, led by the CPV, the Vietnamese people have undertaken renovation and openness and have achieved great success in socialist construction. In Vietnam today the economy is developing briskly, the people enjoy a peaceful and happy life, and the society is prosperous and vivacious.

Comrades, from the depths of our hearts we are very delighted at the achievements you have made and we hope you take advantage of these successes to surge forward along the path of building an equitable and civilized society, a prosperous people, and a strong nation.

Comrades and friends, led by the CPC, the Chinese people are unswervingly carrying out reform and openness and socialist modernization. Our people nationwide have joined their minds and their energy to pave the way for advancement. They have struggled hard and achieved striking progress in all fields of activity. China has achieved political stability; national unity; and constant, rapid, and healthy economic growth. In building its socialist market system, China has taken a decisive step forward. The people's standard of living has been markedly improved and the country's integrated strength has been considerably improved. We have frequently met various problems and difficulties along the road of progress. With our persistent and unyielding determination and a progress-seeking spirit of pragmatism, however, we will definitely be able to carry out successfully our unprecedented great cause. We are fully convinced that we will definitely be able to bring a more prosperous and beautiful socialist China into the 21st century.

China and Vietnam are two countries that share the same mountains and rivers. The peoples of our two countries are imbued with an age-old friendship. Over the three years since the normalization of Sino-Vietnamese relations, exchanges and cooperation between our two countries in various areas—political, economic, scientific, technological, cultural, and so on—have been restored and developed comprehensively. The two countries have learned from each other about the idea of achieving cooperation for mutual benefit in the cause of building their respective countries. We are delighted at and pleased with the Sino-Vietnamese friendship, which is constantly broadening and developing amid the new situation.

In fact, a number of problems still exists between our two countries. We must be patient and tackle these problems satisfactorily through negotiations. If unable to tackle these problems promptly, we should not let these problems affect the normal development of our bilateral relations.

We always believe that there are countless mutual interests between our two countries of China and Vietnam. Sino-Vietnamese friendship is the common desire of our two peoples. Constantly consolidating and developing Sino-Vietnamese relations of cooperation and friendship constitutes a persistent and unchanged policy of the Chinese party and government. This conforms not only with the fundamental interests of the two countries but is also beneficial to peace, stability, and development in the region and the world. I believe that with the common efforts of both sides, the flower of cooperation and friendship between our two countries and peoples will become increasingly colorful and more beautiful than ever before.

Now, may I propose a toast to the ever-developing friendly and cooperative relations between the two parties, countries, and peoples of China and Vietnam; to the prosperity of the SRV and the happiness of its people; to the health of Comrade General Secretary Do Muoi; to the health of Comrade President Le Duc Anh; and to the health of all comrades and friends present today. Let us drink. [end recording]

Meets Do Muoi, Le Duc Anh 21 Nov

BK2111151594 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Nov 94

[FBIS Translated Text] At the Presidential Palace this morning, 21 November, Comrade Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, and Comrade Le Duc Anh, president of the Socialist Republic of Vietnam, cordially met and exchanged views with Comrade Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China, currently on a visit to our country.

In an atmosphere of friendship, sincerity, and openness, the two sides exchanged views on measures aimed at ensuring the stable and lasting development of relations between the two countries and meeting the aspirations and fundamental interests of the two peoples. They also compared notes on international and regional issues of common concern.

Present at the meeting on the Vietnamese side were Comrade Nguyen Manh Cam, member of the Political Bureau and foreign minister; Comrade Hong Ha, secretary of the party Central Committee and head of its External Relations Commission; Deputy Foreign Minister Comrade Vu Khoan; and Comrade Dang Nghiem Hoanh, Vietnamese ambassador to China. On the Chinese side were Comrade Qian Qichen, member of the Political Bureau, deputy prime minister, and foreign minister; Vice Foreign Minister Comrade Tang Jiaxuan; and Comrade Zhang Qing, Chinese ambassador to Vietnam.

Agriculture Minister Holds Meeting

BK2111115594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Nov 94

[FBIS Translated Text] At the Presidential Palace in Hanoi on 21 November, Comrade Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China currently on an official visit to Vietnam, received the Vietnam-China Friendship Association delegation led by its chairman Nguyen Cong Tan, minister of Agriculture and Food Industry.

At the reception, Minister Nguyen Cong Tan conveyed to General Secretary Jiang Zemin a solemn salutation from the Executive Committee of the Vietnam-China Friendship Association. The Minister briefed the General Secretary on the association activities, especially its efforts to contribute to strengthening and developing friendship and solidarity between the two peoples.

President Jiang Zemin hailed the association's achievements and activities to promote friendship between the Chinese and Vietnamese peoples. The Chinese President expressed the belief that the existing friendship, solidarity, and cooperation between the two nations will be increasingly developed.

Foreign Ministers Hold Talks

BK2111153094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Nov 94

[FBIS Translated Text] At the Ministry of Foreign Affairs this afternoon, 21 November, Comrade Nguyen

Manh Cam, member of the party Central Committee Political Bureau and foreign minister of the Socialist Republic of Vietnam, met and exchanged views with Comrade Qian Qichen, member of the party Central Committee Political Bureau, deputy prime minister, and foreign minister of the People's Republic of China.

The two sides exchanged views on international and regional issues of common concern and expressed the two countries' wish to make positive contributions to the trend of peace and cooperation in the region and the world as a whole. They also expressed their satisfaction at the cooperation between the two Foreign Ministries, which have made effective contributions to the strengthening of the mutual understanding, friendship, and cooperation between the two countries. They also discussed measures aimed at implementing the agreements that have been reached at high-level meetings during General Secretary and President Jiang Zemin's visit to Vietnam and at further promoting cooperation between the two Foreign Ministries. The talks took place in an atmosphere of friendship and sincerity.

Attending the meeting on the Vietnamese side were Deputy Foreign Minister Vu Khoan; Dang Nghiem Hoanh, our country's ambassador to China; and many high-ranking Foreign Ministry cadres. On the Chinese side were Vice Foreign Minister Tang Jiaxuan; Zhang Qing, Chinese ambassador to our country; and many high-ranking Chinese Foreign Ministry and embassy cadres.

DPRK Military Delegation Begins Visit 18 Nov

BK1811150794 Hanoi VNA in English 1428 GMT 18 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov 18—A ceremony was held here today to welcome a military delegation of the Democratic People's Republic of Korea (DPRK) led by Vice Marshal Choe Kwang, Politburo member of the Korean Workers' Party Central Committee, acting minister of Armed Forces and chief of staff of the Korean People's Army who arrived here this morning for an official friendship visit to Vietnam as guest of national Defence Minister Gen. Doan khue.

Attending the welcome ceremony on the Vietnamese side were senior officials of the Defence Ministry, representatives of the Ministry for Foreign Affairs and the Vietnam-DPRK Friendship Association on the Korean side were Ambassador Han Min-chol and military attache Sn. Lt. [Senior Lieutenant] Colonel Song Yonsop.

Following the ceremony, Vice Marshal Choe Kwang and his entourage were received by Gen. Khue. The host expressed his pleasure at new steps of development of the relations between the two countries and said he believed that the delegation's current visit would further contribute to the enhancement of the friendship, understanding and mutual trust between the two peoples and Armies.

In the afternoon, the Korean military delegation held talks with a Vietnamese military delegation led by Gen. Doan Khue. The two sides informed each other of the situation of national construction and defence in each country, the bilateral relations and issues of common concern.

A banquet was given in the evening by Gen. Doan Khue in honour of the Korean guests.

Received by Do Muoi

BK1911152694 Hanoi VNA in English 1510 GMT 19 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 19—General Secretary of the Communist Party of Vietnam Do Muoi received here today the visiting military delegation of the Democratic People's Republic of Korea (DPRK) led by Vice Marshal Choe Kwang, Politburo member of the Korean Workers' Party (KWP) Central Committee, acting minister of armed forces and commander-in-chief of the Korean People's Army.

During the reception Mr. Choe Kwang conveyed the best regards from Mr. Kim Chong-il, DPRK president and KWP general secretary, to the Vietnamese party leader.

The Korean commander expressed his belief that the friendship and [words indistinct] armies (?and peoples) which were fostered by the late President Kim Il-song [words indistinct] would be further consolidated and developed.

For his part, General Secretary Do Muoi welcomed the Korean military delegation's visit to Vietnam which he said, would contribute to furthering the friendship between the two armies and peoples.

The party leader expressed the gratitude of the party, state, army, and people of Vietnam to the precious support and assistance granted by the party, state, army and people of the DPRK to Vietnam's revolutionary cause. He affirmed Vietnam's determination to support the (?cause of peace), sovereignty, and national unity of the Korean people.

He took this occasion to convey through the delegation his greetings to Mr. Kim Chong-il and other party and state leaders of the DPRK and speak out his wish for greater achievements in national construction and defence of the Korean people.

Cuban Military Delegation Ends Visit 20 Nov

BK2111123594 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Nov 94

[FBIS Translated Text] The high-level Cuban military delegation led by Lieutenant General Ulises Rosales del Toro, member of the Cuban Communist Party Central Committee Political Bureau and commander-in-chief of the Revolutionary Armed Forces of Cuba left Ho Chi

Minh City on 20 November, successfully concluding its official friendly visit to Vietnam.

During its stay, the Cuban delegation was cordially received by party General Secretary Do Muoi, Prime Minister Vo Van Kiet, Defense Minister General Doan Khue, Vietnam Fatherland Front Chairman Le Quang Dao, and General Vo Nguyen Giap.

The Cuban military delegation held working sessions with Vietnamese military officials and visited a number of economic and cultural establishments in Hanoi. It also visited the Military the Commands of the 3d and 7th Military Regions, the Advanced Military Academy, Thai Binh Province, the Women Militia Battalion in Dong Lam village of the same province, the local military museum, and the district of Cu Chi. The delegation also paid a courtesy call on the Ho Chi Minh City People's Committee. Comrade leaders of the city party and people's committees cordially received the Cuban delegation.

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